

NOW IN ITS FIFTIETH YEAR

SATURDAY NIGHT

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THE FRONT PAGE

Tepee life is not a pose or an exhibition stunt with the Indians of the Gleichen district who are depicted by Mr. Norman VanDelinder in the week's prize photograph in the adjoining column. It is the way they live. This is both a "topical" and an "action picture," but it is also the best piece of photography in the week's entries, considering the difficulties of the subject, so there will be no special prize for the best pictorial. Honorable mentions go to Miss Ruth Estelle Thompson, 537 Main St. East, Hamilton, Ont., W. B. Piers, Hancu, B.C., and G. J. Crook, 45 Hilsdale Ave. East, Toronto.

A five-dollar prize is awarded weekly during the summer for the best photograph received. When this picture owes its success largely to its news or action interest, a three-dollar prize is also awarded to the best purely pictorial entry. Honorable mentions receive one dollar. Our picture page this week—the front page of the Second Section—is devoted to the Honorable Mentions of recent weeks. Pictures must be accompanied by the usual technical details of camera, exposure, etc., and cannot be returned.

WE ARE, we confess, relieved to find this week that neither the Liberals of the Province of Quebec nor the Conservatives of the Province of Ontario are entirely obliterated from the political map. For the first half of this year it almost looked as if the old party divisions had given place, not to a new alignment, but to a one-party system in which there could be no thought of a possible alternative government to that which was in power—a condition which we regard as the death of all true parliamentary democracy.

The one-party system is no doubt highly efficient for certain purposes. If the operation of railways, electric power systems and other industries were a major part of the functions of the political state, we should probably approve of the one-party system; for we have never believed in "buying into a fight," or acquiring the stocks of a corporation whose shareholders were notoriously divided among themselves as to policy and methods. But the carrying on of business of any kind is not, in a democratic state, a major part of the functions of that state. The maintenance of justice and liberty is overwhelmingly the most important of its functions; and the maintenance of justice and liberty is best provided for when two rival groups with rival principles have to contend for the suffrages of the electors. So long as both of these groups have a reasonable chance of success, there is very little prospect for a dictatorship. The prospect of dictatorship begins when one of the parties loses hope of ever attaining power; and the first step of a would-be dictator is to see that the opposing party does lose hope. Firing squads are merely one of the cruder methods of attaining that objective. We on this continent know much better ones.

AMERICA DECIDES

THINGS have been moving with extraordinary speed in the United States in the last couple of weeks. It is now, we think, several months since we have felt called upon, in view of the very ample supply of subject-matter right here at home in Canada, to make any extended references to the state of affairs in the adjacent Republic; the new phenomena which were appearing there did not seem to have reached the stage of comprehensibility. It was vaguely evident that a condition of violent feeling was developing which was not unsuggestive of that which preceded the Civil War, but the precise nature and direction of that feeling remained obscure. It has now begun to clear up.

A large section of the American people has for some months been genuinely and seriously alarmed over what it has rightly or wrongly conceived to be the menace of a personal and autocratic form of government. That is not an uncommon alarm with the American people, having within our own memory been raised about Cleveland, about the first Roosevelt, about Wilson—that is to say, about almost every first-rate President that the Republic has recently had. But the alarm this time has been much deeper, much less academic, much more emotional, than on any of these previous occasions. For one thing, of course, there are evidences which did not exist then of the ease with which dictatorships can be established in places where one would not expect them. But this is not the whole explanation. There are certain aspects of the character of the present President—a vindictiveness towards those who oppose his will, a ruthlessness in the pursuit of his objectives—which suggest that a Franklin Roosevelt dictatorship would be a more alarming thing than any that has hitherto seemed possible. It has become obvious, moreover, that Congress cannot be relied upon to block such a dictatorship if it came to a fight; and the Supreme Court has therefore loomed in popular esteem as the only reliable safeguard. And Mr. Roosevelt has sought to bend the Supreme Court to his will. Hence the agitation.

Last week the Senate, after a long period of indecision, determined not to hand over the



"BUFFALO SOUP." Alberta Indians of the proud old Blackfoot Tribe prepare their evening meal, among teepees decorated with traditional designs. The week's prize photograph, by Norman VanDelinder, 1106-13th St. West, Calgary, Alta. Recomar, S.S. Pan film, 1-50th second at F8, July.

Supreme Court to the President as a tool for the execution of his designs. Their action instantly clarified the situation. They provided a rallying point for the supporters of constitutional democracy, who had been disorganized, ill led, uncertain where to make their stand. In the course of the fight over this issue the President revealed his conception of the nature of his office in language which can only be described as revolutionary. Congress, he informed Senator Barkley, has the task of devising methods, "but on the President falls the responsibility of recommending objectives. This is in accordance with the Constitution." And he added that "the objectives of the President remain the same, and that I believe that it is the duty of the Congress . . . to pass legislation to carry out the objectives."

This is not "recommending" objectives, it is ordaining them. It means that whether Congress likes the objectives or not, it is its duty to pursue them. It is just about the sort of message that Herr Hitler might have sent to the German Reichstag, in the brief days before he took the next obvious step and closed it up, transferring its task of selecting "methods" to his party chiefs. The "recommending" of objectives is unquestionably a presidential privilege and duty; but it is equally the privilege and duty of Congress to question them and if it sees fit to ignore them. Mr. Raymond Moley, once the head of Mr. Roosevelt's famous "brain trust," comments: "This is a new conception of party organization indeed. It suggests the building of a new party within an old party—a new party characterized by absolute and unquestioning fealty to the purposes, disclosed and undisclosed, of a single leader armed with extraordinary powers over patronage and appro-

THE outlook for peace grows darker. The Japs and the Chinese are at it again, the non-intervention negotiations in Spain have fallen through and there is to be an election this fall in Ontario.

Marconi avoided the limelight. He was a shy man and besides there was a pretty tough guy already occupying it.

It can no longer be claimed that President Roosevelt is a dictator. Although under extreme provocation, he has not had a single Senator shot.

As we understand the Japanese point of view, the Chinese have illegally occupied Chinese territory.

The liberalization of the British divorce laws was supported, we are told, by happily married men. There is no truth in the rumor, then, that the National Government is about to split up.

As a matter of fact, most people are born with a dictatorship complex but they usually laugh themselves out of it.

We understand that the manufacturers of winter underwear are looking forward happily to the day when air-conditioning becomes general.

priations entrusted to him in a period of crisis, and openly intent upon identifying political and governmental control." It seems to us to go even further than that. Mr. Roosevelt does not say "the duty of a Democratic Congress towards a Democratic President;" he says merely "the duty of Congress." Even an anti-Roosevelt Congress would still have no responsibility except for "the adoption of methods" suitable for the "carrying out" of Rooseveltian objectives. It is not merely the organization of the party that Mr. Roosevelt wants to change, though that would be bad enough; it is the organization of the Republic. The Senators by their action on the Court bill have shown that they understand this. The country, which has dimly felt it for some weeks, has suddenly come to understand it too.

THE PEAK OF POWER

THERE is a special reason why vindictiveness and truthlessness are dangerous qualities to be displayed by President Roosevelt. They are bound to be interpreted, and they are being interpreted, by many Americans in the light of the physical disability from which the President suffers, and against which he has put up such a magnificent fight. Whether there is any actual connection between the two things is a question about which even professional opinion would probably be divided or uncertain; but amateur opinion is not so cautious. Part of the present perturbation of the American people is almost certainly due to the feeling that vast powers may conceivably have been entrusted to a man whose

(Continued on Page Three)

THE PASSING SHOW

BY HAL FRANK

The phrase, "cutting the Gordian knot" has been used frequently to describe Great Britain's partition plan for Palestine. But according to some critics of the proposal, what Great Britain has cut is the guardian knot.

Our Washington correspondent informs us that President Roosevelt is feeling his unpopularity so keenly that he is thinking of changing the name of the White House to the Dog House.

After a survey of the world at large, says Oscar, I have become convinced that history is exciting and pleasurable in books, but not when it occurs in real life.

Our faith in the abolition of crime grows less. Even if murder and robbery are eliminated, there will always be some irreconcilables who will insist on going about without any tops to their bathing suits.

Mr. Roosevelt, faced with a revolt in his own party, apparently called in the wrong advisers. He should have sent for Mr. Hepburn.

Esther says she hopes that Mr. Hepburn delays the announcement of the provincial election for a little while, she says she doesn't want to have to think about public affairs during her holidays.

ABOUT JOE CLARK

BY HECTOR CHARLESWORTH

The late Joseph Clark, editor of the Toronto Daily Star, was not only one of the best known and most beloved journalists in Ontario, with many friends in his own profession all over Canada, but he was also remembered by many veteran readers of this paper as a former editor of SATURDAY NIGHT. His connection with it was many years ago, but much of the imprint that he made upon it still remains. It was he who introduced the note of gentle urbanity into its editorial columns which we still endeavor to maintain.—Editor.

THOSE who were present at the funeral of the late Joseph T. Clark, for many years editor of the Toronto Star, witnessed an almost complete cross-section of Toronto life; old printers who had set type at the case with him in the old hand-setting days; millionaire business men; almost all local newspaper men of the older generation; old-time cricketers, anglers and golfers; and many younger men whom he had befriended with sage and humorous counsel. It was a remarkable demonstration of how Mr. Clark, with his unforgettable personality, powers of verbal and written expression, and unfailingly even disposition, had entrenched himself in the affections of the entire community.

For this publication his memory has especial significance because a considerable number of the forty-six years of his journalistic career in Toronto were spent in association with SATURDAY NIGHT. He was one of five journalists who directed its courses from the chief editorial chair during the fifty years of its existence. From 1892 onward his sole newspaper associations were with SATURDAY NIGHT and the Daily Star. He had begun in boyhood as a printer's devil in a country newspaper office, graduating to the rank of journeyman printer. For a brief period he was a barn-storming actor, playing among the "hushers" the tailor in "The Private Secretary." But his aim always was to be a writer. In his early twenties he and his brother established the Pickering Gazette. His first writing in a larger arena was for a paper published by A. B. Rice at West Toronto Junction, then a separate municipality centering around the C.P.R. shops. Almost simultaneously he was "discovered" by the two most original and picturesque newspaper editors of that day, W. F. Maclean of the Toronto World and E. E. Sheppard, founder of SATURDAY NIGHT. The late Mr. Maclean was then in the field for the House of Commons against Hon. Alexander Mackenzie in East York, then for the most part a rural constituency; he wanted an editorial writer who understood the rural mind. The young man's outlook and style, racy of the Ontario countryside, also appealed to Mr. Sheppard, and during the summer of 1891 when "Don" (as he signed himself) was three months abroad, Clark was writing the Front Page of SATURDAY NIGHT as well as doing his daily stint on the World. Early in 1892 Mr. Sheppard appointed him assistant editor of this publication. In the mid-thirties the Star, a very anemic weakling, was struggling along and Mr. Sheppard bought an interest in it. He did not retain it very long, but Mr. Clark became his associate on its editorial page. When the Star's fortunes took a turn for the better he went back to it, still retaining close associations with Mr. Sheppard.

When in 1906 the late Harold Gagner purchased SATURDAY NIGHT he at once appointed Mr. Clark editor, but in 1909 the latter made his final departure to establish the Star Weekly for J. E. Atkinson and subsequently to become editor of the Daily Star.

During the three years of his editorship, Mr. Clark did much to restore to SATURDAY NIGHT a popularity which had waned owing to the increasing temperamental acidity of Mr. Sheppard, who had been disappointed in his hopes of a political career.

Going back to the early thirties, it is remarkable to recall how rapidly the young man from the country became a recognized and popular figure in Toronto. Men of all classes welcomed his merry personality, and witty commentary, which was based on an instinctive knowledge of human nature. He was as incapable of malice in his writings as in his personal relations. His style was clear and flexible and his resources of ironic banter large. Yet beneath the surface he was of very firm opinions, democratic not merely in his surface relations with everybody but by intense personal conviction. Above all he was a man with an immense zest for the good and cleanly things this life has to offer. He did a great service to the Star by maintaining a dignified, humorous tone in all matters of controversy. The fiercest diatribes were parried by penetrating thrusts always smilingly delivered. And that, as the circulation returns soon began to show, was good policy. He was adept in holding the interest of the reader in any subject that he chose to write about, whether it was the war in Europe or some trivial happening that tickled his fancy. In his case certainly the style was the man. Those who knew him best lose a good comrade and the public loses a man who gave genuine savor to the life of the community.

CHINAMAN'S CHANCE

BY THORNTON PURKIS

A RAUCOUS blare from a motor horn about a hundred yards behind me and my ricksha boy pulled into the side of the road and stopped abruptly. So did all the other traffic.

"What's the matter, Lee?" I asked.

He pointed. "Japanese officer come," he answered.

We were within a few yards of the entrance gate of the Japanese Legation in Peiping. As the motor passed my ricksha and slowed down to turn into the gate someone shouted what I presume was the Japanese equivalent of "present arms" and I saw half a platoon of men spring to attention while the car passed through the gate. My ricksha boy spat.

At Tangku two weeks earlier (I am speaking of the summer of 1936) when I landed from a Japanese ship on which I had crossed the Yellow Sea, I was impressed by the fact that the Japanese sailor who carried my baggage ashore and through the customs paid no attention whatever to the Chinese customs officers. My baggage wasn't even opened. But what astonished me even more was that the Chinese officials offered no protest against the contemptuous treatment they received from the Japanese. However, it was none of my business; I hadn't anything to declare anyway, so I kept my mouth shut.

When I got into a rather wretched train traveling from Tangku to Tientsin there was a Chinese gentleman in the carriage. In the course of conversation with him, I got my first inkling of the smouldering resentment of the Chinese towards the Japanese. I am not sure, but I gathered that my Chinese acquaintance was an intelligence officer or observer for the Government at Nanking. In the press at that time there was quite a hullabaloo about Japanese smuggling into Northern China.

LET me say here and now that as far as my observation could determine, it might be a good thing for the people of North China if the Japanese were to dominate the country, suppress banditry and bring some order out of the apparent chaos, although that doesn't alter my conviction that if I were a Chinese I should prefer the chaos in my own country to Japanese domination.

Then there is an international aspect to this Japanese domination, an aspect that has been strikingly illustrated in Manchukuo. When the Japanese dominated a province, that practically ends American and European trade in that province. This is clearly shown by the import and export trade figures of Manchukuo since the Japanese occupation. The military character of it is self evident. For example, outside the walls of the Legation City in Peiping there are two enormous fields both about the size of a racetrack. On one of them are to be seen British and United States army and naval officers playing polo, cricket, tennis and baseball. Further east from early morning until sundown Japanese army officers endlessly ride round and round on rather shabby looking horses.

What the object of this riding round and round and round was, I couldn't figure out other than it might have been to exercise the horses. I asked one Chinese if he knew. He didn't.

SIX months previous to my stay in Peiping the Japanese had marched several thousand troops through the city and had apparently offended the Chinese and all other nationalities by the arrogant manner of their arrival. In fact there were two or three "incidents." An "incident" is a useful happening for the Japanese. If a Chinaman looks crossed at a Japanese, he is likely to provoke an "incident." The conclusion I came to is that the Japanese are suffering from a national chip-on-the-shoulder complex. On this is superimposed a gigantic ego-mania. Although they have built up what is perhaps the finest military machine in the world and possess a navy that, so far as Pacific waters are concerned, has four or five times the strength of all other nations' navies in the Pacific combined, they have not, so far, tested their mettle against a first-class well-organized naval or military power. That they would give a good account of themselves in any such test, I do not doubt for one moment, but to a western mind

they resemble a small boy trying to show off before his larger companions.

Spy mania seems to be endemic in Japan. Going from Vancouver on a Japanese ship, it starts about ten days before reaching Yokohama. Twice a day at luncheon and dinner you are given printed warnings not to take photographs in fortified areas. From the maps supplied to passengers, every part of Japan seems to be a fortified area. Now it may be possible to take photographs of coast fortifications, but unless one had a private plane and an extraordinarily fine camera, I should hardly imagine that anything one is likely to see or be able to photograph when going into any Japanese harbor can be of any possible value from the naval or military point of view. On the other hand about 100 miles from Yokohama we passed a large number of Japanese warships conducting a battle practice. Even to an untrained eye, like my own, it was obvious that their gunnery was excellent. Destroyers were towing targets and other ships were firing at them from a distance of about 10,000 yards. They were dead on every time!

I WAS also rather interested in the immigration examination. By the examination and cross-examination, one might have concluded that I had some sinister purpose in visiting Japan, whereas I was merely going to try and promote trade both ways, and it wasn't until I produced a letter of introduction to a Japanese official that my cross-examination ended. However, I've crossed frontiers before and nothing astonishes me in this procedure of entering and leaving foreign countries any more. On the other hand, no people could be more polite, helpful and hospitable than the Japanese officials and busi-

TO THE HISTORIAN AT APRIL 1937

BY RALPH GUSTAFSON

GIVE over twisting trends from context you Who thumb the pages of archaic script And riddle backward history for the clue That leaves our logos from the bestial strip. Here is no passage to be glossed cold-read. These Baskies were butchered, howled by scythes of hell, Howled and moaned hugging their distorted dead. Old peasants stumbling from efficient shell. You of comfortable years, of other creed, With Guernica but a label in your book, Here's truth! not opposing dead could name a need. The killers plead a final trench they took, Whether you live because they shot or died, Damn them their politics that so decide!

ness men whom it was my privilege and very great pleasure to meet. It was a delight to be entertained by them and to reciprocate. They are astute - what good business men aren't? - and they command and deserve respect.

It is not difficult to understand and appreciate the Japanese point of view. They are resolved to dominate the Far East. They must expand, for it is to be remembered that Japan is one of the most thickly populated countries in the world. Moreover, Japan itself is not rich in natural resources. Manchukuo and Northern China are natural outlets for their people, and when need arises they will seize such outlets by force. And which nation can stop them? China? I hardly think so. Russia? It is doubtful. The Japanese may have felt some nervousness about Russia, but today apparently they are not as nervous as they were a year ago. Russia's military strength in Siberia doesn't seem to be as formidable since the recent "purges."

WHILE I was in Tokio the city, and in fact all Japan, was still under martial law as a result of the February 1936 "incident." I was told that this incident involved certain army officers who inspired the assassination of a few highly placed Government officials. It so happened while I was in Tokio and much to the surprise of newspaper correspondents, that these officers were executed. It



JAPAN IN GERMANY. Members of the crew of the Japanese cruiser "Ashigara" assume a ceremonial attitude prior to a demonstration of their skill at arms. The photograph was made during the visit of the cruiser to Kiel.

looked for a time as if civil power would prevail. But the military party is again in power. During my stay in Tokio, the Japanese staged air manoeuvres on a grand scale, the purpose of which was to test the aerial defences of the city, presumably against a bombing attack from the North. A bombing raid from the north (unless headed off in time) could do enormous damage in Tokio and Yokohama; and I imagine that the Japanese have a lively recollection of the holocaust by fire that they suffered after the earthquake. Tens of thousands of people were burned to death. Few people outside of Japan have ever realized the magnitude of that disaster.

I was never inconvenienced by Japanese surveillance, but an illustration of it will demonstrate how effective is their check up on travellers. I was lunching one Sunday with a dignitary of the Church of England. Part way through the meal the head waiter came and said to this gentleman, "Please go to the lobby. Two men wish to see you." He answered, "Please ask them to wait until I have finished my lunch." The head waiter returned and said, "I think, sir, you had better go and see them at once. They are police officers." My acquaintance answered, "No matter who they are, please ask them to wait until I have finished my lunch." Later it transpired that the clergyman had omitted to notify the hotel people in a certain city that he was going out of town for the week-end. So he had been trailed to this other place and the police officers wanted to know what he was up to or at least why he hadn't told the officials at the Hotel in Osaka that he was going to Kyoto for the purpose of sight-seeing. To give it a Gilbertian touch, the chief reason for his being in Japan was to deliver a series of lectures by invitation from the Faculty of a Japanese University.

BUT I am straying from my story which is to indicate Chinese inability to stop Japanese encroachments into North China. In my opinion, to use an old army phrase, they haven't a Chinaman's chance.

I talked with a number of students of the University of Peiping. Some of them were nationalist-communists. This may be a contradiction in terms, but it is the nearest I can come to indicating the trend of their political thought. They were not enthusiastic about Chiang Kai Shek. They prophesied that he would be "disciplined" before very long; so when, some months later, I read that he had been kidnapped by a General of the Chinese Communist Army, I wondered whether this was the "disciplining" referred to.

One particularly forceful little Chinese lady, (Communist), who spoke English with a purity that would put many a Canadian to shame, ventured the opinion that the reason why Chiang Kai Shek hesitated to take action against the Japanese was because he was in their pay. I disagreed with her

opinion, mine being that he knew his forces weren't equipped to put up a successful fight. Although the Cantonese and the people of South China were all for declaring war against Japan (a year or more ago), in the final analysis, Nanking and Shanghai opinion seemed to be that the Southern Chinese wouldn't have to bear the brunt of it. It is quite evident, however, that Japan by its arrogant policy in China has done more to unify the people than all the efforts of the Nanking government. The Chinese have been humiliated too often and in sheer desperation they may feel that they have nothing more to lose by fighting. As one Chinese merchant said to me when I quizzed him about it, "We have lost Provinces by not fighting. We may lose more Provinces anyhow, but if we must do so it is better to make the Japanese pay a good price for them in blood and treasure." Whether the Chinese can possibly be successful in fighting to prevent further Japanese encroachment into China I don't know. An American lumber dealer who told me he had lived about thirty years in China and with whom I discussed the matter summed up the situation rather well. He said: "The Chinese have millions of men in uniform but no soldiers, no organization and no discipline, and it is always possible to buy them off." This may be an extreme view. But the "squeeze" seems to work from the highest to the lowest strata of the people.

THAT the country is horribly disorganized and subject to rival bandit armies is all too evident. One needs only to travel on trains to be aware of it. I asked why they had soldiers with machine guns on the end of each carriage and was told that there was a possibility of the track being blown up and bandits wrecking the train and robbing, if not murdering, the passengers. I have never carried a gun in my life, but a German shipping agent with whom I chatted in the dining car of that train came back into my compartment afterwards for a "snifter" and subsequently produced a useful little weapon that would not have been despised by a Chicago gunman. I asked him why he carried it. He answered, "You haven't done much travelling in China, have you? But if you stay here long enough, you will carry a gun too, and plenty of ammunition."

One doesn't need even casually to be on the lookout for evidences of comparative military strength to form the opinion that so far as Chinese power to stop Japanese occupation of the Northern Provinces is concerned, that power is non-existent. The contrast between the order, precision, efficiency, honesty and cleanliness of everything in Japan and the disorder, carelessness, inefficiency, "squeeze" and filth in China, shows how hopeless China's chances are. Although China is perhaps more united now than it has ever been since becoming a republic, it is doubtful whether this frail unity could withstand the impact of a Japanese onslaught. The Chinese might gain a little headway in Hopei Province before the organized might of Japan could make itself felt; but when once the Japanese arrived in force, the result would be a foregone conclusion.

THE corruption permeating the country is almost unbelievable to the Western mind. Any man who can get a following sufficient to set himself up as a war lord can rape and pillage a province at will; and no government effort is made to stop him. It is even said that the government officials get a "squeeze" from the loot. In some cases taxes on communities have been levied 30 or 40 years in advance, but the fact that they have been paid is of no consequence. The next bandit army that comes along takes all it can get. If the war lord is particularly successful some aspirant for his job or even government officials will buy him off. The next thing one hears of him is that he is in Shanghai or somewhere else, "living the life of Riley." What reliance, therefore, can the Nanking Government place upon the war lords to sink their personal ambitions, to suppress their lust for looting and to merge themselves into one cohesive fighting force for the defense of the country?

Another fact directly bearing on the Chinese will to resist is the vast increase in the opium traffic. I was told that it is flourishing on a greater scale than ever before. Large numbers of Japanese are engaged in the traffic with the passive connivance or active backing of corrupt Chinese officials.

In conclusion, my opinion is that whatever moves Japan ultimately makes in North China, they are not likely to do anything at this stage to provoke intervention on behalf of China by the United States or European powers . . . not immediately, that is. They will consolidate their position until they are able to present the Western world with a fait accompli. Not that the Japanese care a snap of their fingers for the people of United States, Great Britain or any other European power. They know the United States won't fight, and they know that the British and French are in no position to fight. The rest of the world doesn't matter. What chance therefore has the Chinaman?



JOSEPH AND THE BRETHREN.

WHY IS SUNDAY BLUE?

BY GEORGE W. MCCracken

IT IS GENERALLY admitted that Sunday may be a very boring twenty-four hours anywhere in Ontario. But the people who complain most loudly about it seem to have only themselves to blame. Neither the law nor the Lord's Day Alliance is going to offer serious opposition if they turn the Ontario Sunday into the most health-giving, most enjoyable day of the week. In any attempt to change the character of the day, their trouble will be mainly with the municipal politicians.

Most Canadians are willing to admit that the federal Sunday law is a reasonable and useful piece of legislation. It is the special Ontario law on the subject, the much ridiculed 1845 enactment of the Parliament of Upper Canada, confirmed in force since Confederation both by the British North America Act and a Privy Council decision, which is usually blamed for the blueness of the day. What blame this antique law does not receive is given to the Lord's Day Alliance. But the Act of 1845 as it is now administered is not nearly so "tough" as it is generally supposed to be; and the Lord's Day Alliance gets a great deal of blame that it does not deserve. The Act of 1845 is silly in spots because it is so out of date (it is based

prohibiting the excursion use for hire of train, boat, or other conveyance "having for its principal or only object the carriage on that day of such passengers for amusement or pleasure." But it does not prohibit sports when they are not conducted for prizes or commercial gain and are not "noisy.")

The Act of 1845 of the Parliament of Upper Canada is another matter. If it were strictly enforced, it would be an oppressive law in 1937. It prohibits the playing of "skittles, ball, football, racket, or any other noisy game" and the running of races "on foot, or on horseback, or in carriages, or in vehicles of any sort." It prohibits hunting and fishing, but makes the exception that a gun may be used in defence of property "from any wolf or other ravenous beast, or a bird of prey." And it prohibits bathing "in any exposed situation in any water within the limits of any incorporated city or town, or within the view of any place of public worship, or private residence."

PERHAPS the best way to secure the repeal of the antiquated law would be to start a prosecution against the highly respectable officials of the city of Toronto who are accomplices in prohibited bathing every Sunday during the season. However, from the tens of thousands who swim and fish unmolested in Ontario it is obvious that (1) much of the Act is no longer enforceable, and (2) the various crown attorneys of Ontario are sensible men. Nevertheless the law is still "good" law, and if anyone's enemies care to swear out an information under it and insist on proceeding, the crown attorney has no option but to prosecute.

Most Ontario lawyers agree that the 1845 Act would have been repealed long ago if it did not contain a prohibition against gambling and if Ontario were not quite so fanatically jealous of surrendering the vestige of a provincial right. It is this Act which enables a police department, that fails to catch the murderer or bank robber during the week, to regain face by catching a spectacular number of Chinese for gambling on Sunday. Not many municipal police forces are willing to give up that item without a struggle. Early in the century the Ontario Legislature purported to repeal the Act and pass a new Sunday law to replace it, but the Privy Council in 1903 ruled that both the repeal and the new law were invalid and consequently the enactment of 1845 still stood. It will remain in force until repealed by the Dominion Parliament. Various Dominion Governments are reported to have expressed their willingness to sponsor the repeal if the Province requests it, but the policemen, it is said, have always quietly opposed the idea of the Province making the request. Constitutionally, especially in view of the Privy Council decision, it is doubtful whether the Province can retain any control at all over Sunday if it gives up this law. The important thing about it in relation to this discussion is that "skittles" is not modern lawn bowling and "racket" is not tennis, and neither lawn bowling nor tennis are "noisy" games. If anyone were prosecuted under this Act for playing these games on Sunday it would be exceedingly difficult to secure a conviction.

THE most severe restrictions placed upon the Sunday freedom of action of the Ontario individual are not therefore the result of actual law. They may however be matters of municipal by-law. The municipalities have no constitutional right to legislate generally regarding Sunday observance but they can get at it indirectly in a number of ways. Toronto, for example, has a by-law prohibiting tobogganing in its High Park on Sunday, and it is able to have it because it has complete jurisdiction over its own property. This degree of authority over the parks is of major interest to the citizen who notices that all the golf clubs are open on Sunday while the playing fields, tennis courts and bowling greens in the parks, where the poor man must get his recreation, are all closed. Usually they are closed not through by-laws but by simple bureaucratic regulation. Toronto is up to its neck in Sunday commercial transactions of a very sensible kind. Its parks department, works department and harbor commission all operate directly or let concessions for bathing stations and refreshment stands which do most of their week's business on Sunday. The bathing stations

POLITICAL ANATOMY

BY DAVID H. BROCK

LEFT wings and right wings flutter in the night. The rightists snipe the leftists and the leftists snipe the right. Flip, flap, little wings. Beat, ye pinions, beat. When wings are tired of winging, we will walk upon the feet.

Vancouver, B. C.

rent towels and dressing-room accommodation. Canoes are rented at city owned boat houses. The same Toronto parks department which engages in this business allows neither tennis nor bowling on Sunday on the courts and greens with which nearly every park is provided. So far as can be learned it has no publicly announced rules in the matter; it merely declines to issue permits for the courts and greens for Sunday play. Some of these courts and greens are only a stone's throw from bathing stations where thousands on the beach are making a great deal more noise than is ever customary for tennis players or bowlers.

A similar situation probably exists in nearly every Ontario municipality. The various commissioners concerned are very likely reasonable men who would be the first to agree that there is an injustice to those who are unable to belong to the golf clubs. But they are also sound municipal politicians, and the first rule of the municipal politician is: "Don't give even a small minority a chance for criticism unless the great majority is really howling for the opposite side." The number of residents of Toronto and other Ontario municipalities who desire a more liberal Sunday is probably great enough to place them in the overwhelming majority, but they are not yet howling very loudly. Apparently they can have their desire as soon as they increase their vocal effort.



"AUTUMN." Honorable Mention Photograph, by W. B. Piers, Bank of Montreal, Haney, B.C., taken in Stanley Park, Vancouver, at 2.30 p.m., October 11. Kodak Recomar, one sec. at F16, S.S. Pan film.

THE FRONT PAGE

(Continued from Page One)

physical condition gives no guarantee that they will be judicially or judiciously used. The powers now granted cannot be revoked, but it is highly possible that they will not be further extended, and certain checks upon them which have been neglected may be brought into play. The process of magnification of the presidential office, which usually goes on in the third, fourth, fifth and sixth years of a successful two-term President, may have reached its highest point and may begin to decline.

If it does so, it will be an interesting and regrettable coincidence that the event will once again happen just in time to prevent a powerful President from exerting his power to make his country perform a highly useful role in international affairs. A tendency towards increased freedom of trade would be the greatest benefit that the United States could confer upon the world, for with all possible allowances for other factors it still remains true that the effort to combine a creditor position with a surplus of exports in the United States had more to do than anything else with the intensity and duration of the late world depression and the fear that another one is round the corner. Mr. Roosevelt is a conscientious advocate of freer trade, and the revolt against him will materially strengthen the hands of the high protectionists.

SOUND LABOR UNIONS

THERE are other subjects upon which American opinion is also consolidating itself belatedly but with some rapidity. One of these is the nature of the new "rapid-fire" type of labor organization. Sound and durable labor organization must be built upon a genuine, widespread and intelligent desire for organization among the workers affected. The technique of the organizing process is educational, and it is admittedly difficult in cases where the workers are of low mentality. It is however possible to create and for a time to maintain a species of organization among workers who have not been educated in the methods and objectives of responsible unionism and have little real desire or capacity for self-organization. The technique in this case is entirely different; it is a technique of imposing unionization from outside. In recent years there has been a good deal of development in this technique in American cities by "organizers" who prior to the repeal of prohibition were engaged in the similar and more profitable business of "organizing" the illicit alcohol traffic. The methods of persuasion employed are extremely "realistic" and their success depends much on the lack of a police force competent and willing to afford protection against expert gang violence.

It is beginning to be understood by Americans that labor organization of this type is of little permanent value to the cause of the under-privileged worker. The utterly undisciplined character of many of the unions hastily put together by Mr. John L. Lewis in his endeavor to do in six months what the A.F. of L. has been unable to do in more than a few years is becoming apparent, and so are the reasons for it, namely that these unions contain too many diverse types of workers, that they have never been habituated to co-operation, and that a great many of their members have no comprehension of responsible union policy.

CONDUCT OF STRIKES

THE nature of the methods used by both the organizers and the members of some of these impromptu unions has been under a good deal of scrutiny in the last few weeks, and the results have not been reassuring. The Senate Civil Liberties Committee is a political body with its own ends to serve in the shape of getting votes; and the contrast between its findings and those of the coroner's jury on the subject of the South Chicago strike riots has not failed to make a deep impression on the American mind. Ten men were killed in those riots by what the Senators declared to be "excessive force" used by the police with "the most careless indifference to human life and suffering;" but the jury—with no political ends to serve—declared the killings to be justifiable homicide, and held that the police were acting within the proper limits of their duty to preserve law and order. The typical American reaction seems to be that of the Detroit *News*, a popular paper in a somewhat left-wing labor city, which sympathizes with the victims but sternly reprehends the leadership which sent them to their

deaths—"ignorant and irresponsible leadership which remained safely to the rear."

That the police, called upon to perform a duty which was essentially military rather than civil, were not handled in the best possible manner seems extremely likely; but the Senate Committee failed entirely to give any inkling of its views as to the way in which a force of police should behave when outnumbered ten to one by strikers and sympathisers worked up to a high pitch of pugnacity by all the arts of oratory and publicity.

LIBERALIZATION OF DIVORCE LAWS

IT TOOK a humorist, the brilliant A. P. Herbert, to achieve a liberalization of the English divorce laws. The Matrimonial Causes Bill, introduced by Mr. Herbert, has finally been passed by the House of Lords. It will allow petitions to be presented on grounds of desertion, insanity and cruelty, as well as adultery, the sole adequate ground under present laws. To prevent any possible abuse of the new privileges, the bill provides for a five-year period after marriage during which no divorce may be granted. All in all, it is a praiseworthy measure and Mr. Herbert is to be congratulated on his success. He had to fight against two popular misconceptions; one, that people who make an unfortunate marriage are not deserving of Christian charity; and two, that humorists are totally incapable fellows unable to pass judgment on anything except a joke. But marriage is no joke and Mr. Herbert's judgment upon it has been accepted. That is extremely gratifying and we hope that it will encourage some Canadian humorist to emulate Mr. Herbert's example and plead for divorce laws in this country that will incorporate the gentle, understanding spirit of the New Testament.

THE VITAL STATISTICS

WE KNOW of no document more calculated to chasten the minds and hearts of the people of Ontario than the Report of the Registrar-General on Births, Marriages and Deaths, the copy of which for the year 1935 has just come to hand. (Whether it is in order to spare the minds and hearts of the people of Ontario that this Report is so slow in coming forth we do not know.)

It is true, we must admit, that there were in 1935 no births to mothers of the age of twelve; there have not been any since 1931, when there were two. There were however three births to mothers of the age of thirteen, seventeen births to mothers of the age of fourteen, and 103 births to mothers of the age of fifteen. We need hardly say that all three of the thirteen-year-old births, all but one of the fourteen-year-old births, and nearly half of the fifteen-year-old births were illegitimate. The illegitimacy rate showed a considerable increase over 1934, though still slightly below the peak which it attained in both 1932 and 1933; it is 41.8 per thousand. There is very little relationship between illegitimacy and racial origin of the mother; a slightly higher rate among Finns and Ukrainians might be ascribed either to relatively recent arrival in the country or to the anti-religious attitude of a portion of these races. Many of the other "foreign" elements show a better illegitimacy rate than the English-speaking stocks.

There were 111 marriages of brides under sixteen; four of their husbands were under eighteen, and six were eighteen. There were 352 brides of sixteen. The divorce rate rose very heavily, being 491 divorces against 365 in 1934.

The facts that one in every 24 children born in Ontario is illegitimate, that one in every 50 marriages ends in the divorce court, and that girls of fourteen and fifteen are not uncommonly married—sometimes to boys of 18 and under, and occasionally to men of 38—are among the less pleasing aspects of these statistics, being matters in the realm of human behavior. In the realm of scientific achievement things are much better. The maternal mortality rate fell to 4.9 per thousand births, the lowest on record. The deaths of children in their first year fell to 55.7 per thousand births; it was over 70 until 1933. The tuberculosis death rate fell to 36.2 per 100,000 population; it used to exceed 50. On the other hand the cancer death rate, not from any failure of science but from the change in our living habits and the prolongation of our lives, rose to 106.5 male and 128.3 female; prior to 1928 it used to be less than 100 over all.

If we could only learn to control ourselves as we control the forces of nature, how much healthier, happier and humaner we should be!

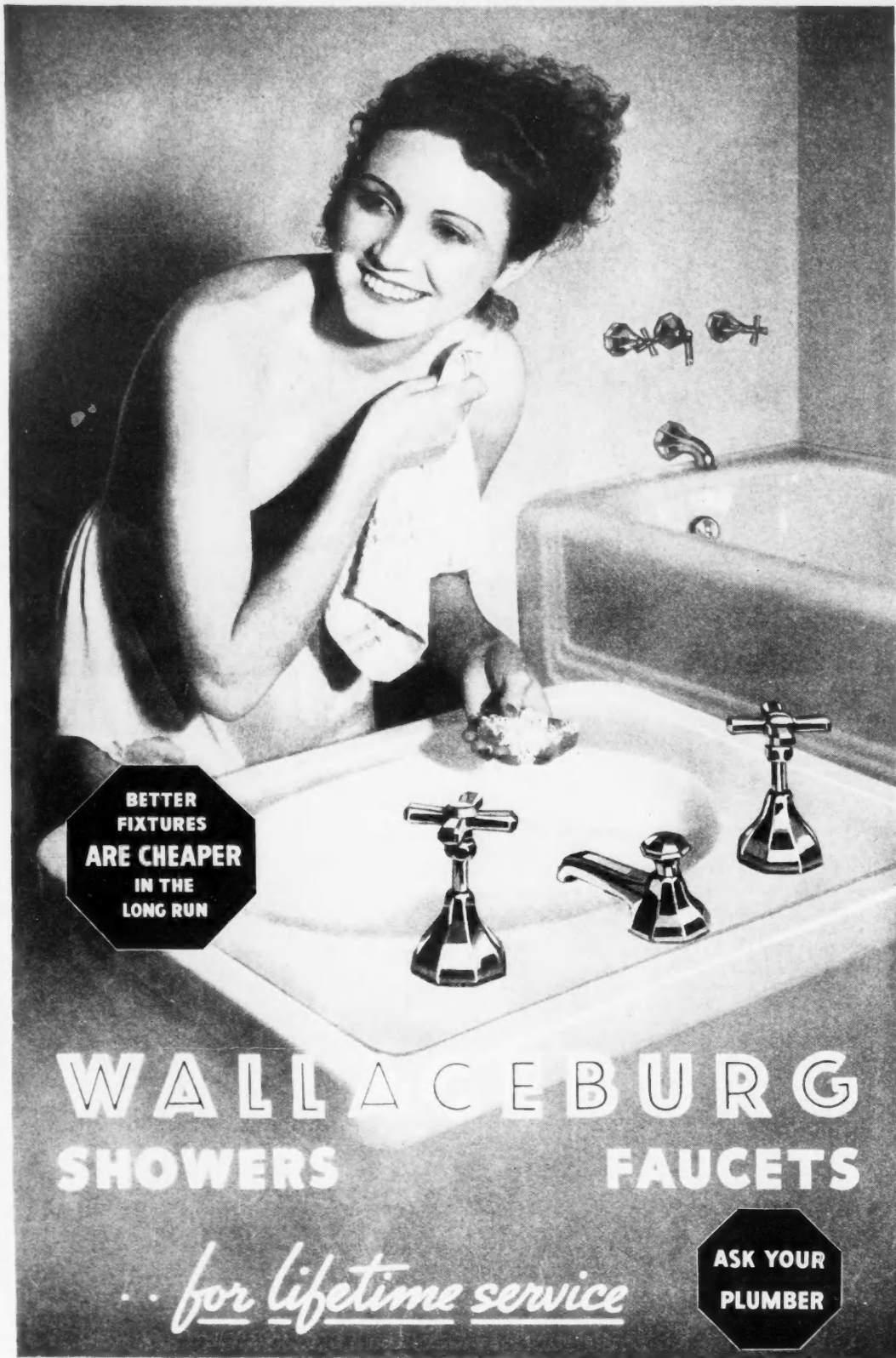
on old English law which classes farmers as "gentlemen" and barbers as "surgeons," and as a consequence neither the former can be prosecuted under it for doing unnecessary Sunday farm work nor the latter for keeping their shops open on Sunday), and it lends itself to malicious prosecutions. It should be repealed, but it is not an important reason why the Ontario Sunday is gloomy. The present-day officers and officials of the Lord's Day Alliance are, on the whole, fair, reasonable, tolerant, and even liberal-minded. If it were not that they are saddled with a popular reputation for bigotry and intolerance that is no longer justified, they would receive the credit they deserve for performing a protective service for the average citizen. They actively concern themselves in Ontario only with the enforcement of the federal law, and, while they are not keen about making official pronouncements regarding the Act of 1845, it is no great secret that they have attempted for several years to secure its repeal.

VERY few, if any, of the Ontario crown attorneys go out of their way to enforce the 1845 law, and most of them would undoubtedly be glad to forget it entirely. Occasionally however they are forced to dig it up because some benighted policeman or other individual insists on laying a charge under it. One might think that most of the prosecutions under this Act would be initiated by persons with strong religious convictions, but lawyers say this is not so. There is a Sunday gambling clause in it which certain police departments use for a special purpose, but with this exception there are surprisingly few prosecutions of any kind under either of the Sunday laws which do not arise out of commercial jealousy.

In recent years, there seems little doubt, the collective Ontario conscience has progressed to the stage where it does not disapprove of the healthful attitude toward Sunday which exists, for example, in British Columbia. In that Province a citizen is neither thrown into jail nor ostracized by the neighbors if he plays tennis in the park or croquet on his own front lawn. It is incidentally worth noting that Dr. Charles Herbert Huestis, who has just retired as General Secretary of the Lord's Day Alliance of Canada, is losing no time in departing from Toronto to spend the evening of a still vigorous life in Vancouver. His successor, Rev. George Webber, has just arrived in Toronto, after ten years residence in Vancouver, with no desire to coerce anyone at all unless he persists in breaking the federal law, and a great desire to see everyone more tolerant.

THE chances are about ten to one, in fact, that you will have great difficulty in naming one in ten of your friends who declares in public and in private that the Ontario Sunday is better than the British Columbia Sunday. Nine of them would be bowling, playing tennis or pitching horseshoes, if everyone else in Ontario were doing likewise. Few would argue that sincere religion would suffer, or that Ontario is a more genuinely religious Province than British Columbia. The truth seems to be that the average person in Ontario grumbles continually about Sunday legal restrictions which in practice are not nearly so oppressive as he tells himself they are, whereas nothing but the municipal politicians and his own fear of what the neighbors will say is keeping him from having as liberal a Sunday as his fellow Canadian in British Columbia. Neither the Lord's Day Alliance nor the crown attorneys will oppose him so long as he does not attempt to commercialize the increased freedom, which is his for the asking, and so long as he does not interfere with the reasonable rights of those who wish to spend the day quietly or in worship. The municipal politician will fall in line with the idea of a liberalized Sunday the moment enough of the electors become vocal about their desires.

THE federal Lord's Day Act, as may be judged from its necessity of applying equally to British Columbia and to Ontario, is a sensible law. It has one silly section which prohibits professional athletics and entertainments, or even amateur athletics and entertainments if an admission fee is charged—unless they are conducted in church. It would thus appear to be perfectly legal to substitute a professional boxing bout or a commercial movie for the evening service. The Dominion Act also has an ultra-puritan section



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—History of Canada, July 19-26

DESTINY DAY AUGUST 7

THE mounting tension of the Canadian political situation needed no better proof during the week than the amount of speculation, discussion and actual political activity which occurred, particularly in Eastern Canada. Mr. Bennett returned from Europe and declined to discuss his health or his intentions regarding the Conservative leadership, but he did confirm reports that all his parliamentary supporters have been summoned to meet him in Ottawa on August 7. In Ontario, all parties were obviously in the throes of hurried preparations for an election which the best informed sources guessed would be held late in September or early in October. Prime Minister Mackenzie King announced that he will address three Liberal picnics in Ontario. A strenuous indirect attempt seemed to be being made by some of Premier Hephurn's supporters to suggest that Mr. King's platform appearances in the Province indicated an approaching reconciliation between the Prime Minister and the Ontario Premier, but impartial observers and the best informed of "King Liberals" were generally agreed that the federal leader is at last at the end of his patience with his former lieutenant and that no reconciliation is possible. The picnic speeches, they believed, were more likely to emphasize the gulf between Liberalism and Hephurnism. They admitted that there was no time in which to effect a complete reorganization of the Ontario Liberal party before the election, and for that reason they did not expect obvious participation of important federal Liberal figures.

DOMINION

Agriculture: Bureau of Statistics crop report stated that rains materially improved feed situation in Saskatchewan but came too late to help wheat.

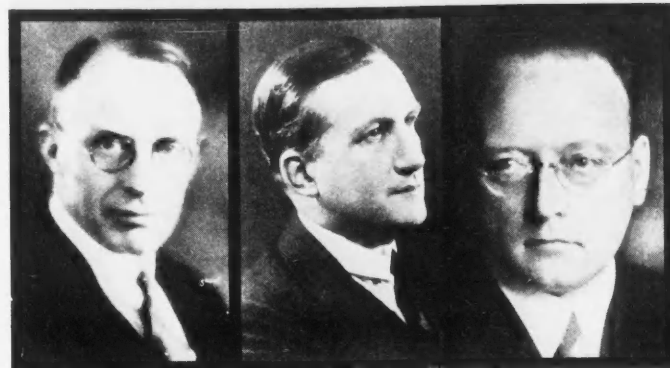
Municipal Statistics: Dr. R. H. Coats, Dominion Statistician, was elected chairman of Dominion-provincial conference on municipal statistics which opened in Ottawa.

Thanksgiving: Proclamation in Canada Gazette set October 11 as Thanksgiving Day.

Vital Statistics: Bureau of Statistics reported seven per cent increase in marriages, and eight per cent increase in births for first six months of 1937.

Wheat Board: Hon. W. D. Euler, Minister of Trade and Commerce, announced appointment of Vice-Chairman George McIvor as Chairman of Canadian Wheat Board to fill vacancy created by resignation of J. R. Murray. Mr. Euler stated Wheat Board will continue in operation pending receipt of Turgon Royal Commission report.

Youth Training: Hon. Norman Rogers, Minister of Labor, announced agreements with Saskatchewan, Alberta and British Columbia for youth training projects.



COUCHICHING LECTURERS. Among the eminent lecturers who will deliver courses at the famous Couchiching Institute this summer are Dr. James Grafton Rogers (left), of Yale University, the Rt. Hon. Lord Eustace Percy (centre), the famous expert on British foreign policy, and Dr. Hans Simons (right), a former resident of Germany and well known economic and political authority. The Canadian Institute on Economics and Politics at Couchiching will meet from August 7 to 20 for its sixth session. It is largely made possible by grants from the National Council of Y.M.C.A's.

ALBERTA

Bonds: Premier Aberhart requested registration of holders of Alberta's \$140,000,000 outstanding bonds as preliminary to arrangements for "dealing with the obligations of this Government to the owners of Alberta securities."

Session: The Premier announced a special session of the Legislature is likely early in August.

Social Credit: Glen L. MacLachlan, chairman of Social Credit Board, announced Major C. H. Douglas has made initial recommendations for inauguration of Social Credit. Hon. Solon Low, Provincial Treasurer, sent circular letter to all bank branches in Alberta asking them to co-operate in effecting economic adjustments along Social Credit lines.

BRITISH COLUMBIA

Employment: Provincial Relief Department announced past month's registration of 58,930 relief recipients is lowest since 1931.

MANITOBA

Drought Relief: Hon. J. S. McDiarmid, Minister of Mines and Natural Resources, announced completion of arrangements to graze 3,000 head of Saskatchewan cattle in Spruce Woods forest reserve.

Relief: After two days' consultation between federal authorities

QUEBEC

Appointments: The provincial Government announced appointment of Antoine Lamare, Longueuil, as president of the Public Service Commission, and of Auguste Desilets, K.C., Three Rivers, Gerard Simard, K.C., Rimouski, and Rodolphe de Blois, Quebec, as members of a commission to draft revision of the statutes.

Relief: Following weeks of acrimonious dispute between municipal factions and with provincial authorities, the Montreal city council abolished its voluntary Unemployment Commission and replaced it with a salaried relief administrator.

PERSONAL

Alberta Section of Co-operative Credit Union of Canada re-elected E. R. Rasmussen, Wetaskiwin, president.

Ontario Grand Lodge, A.F. and A.M. elected W. J. Dunlop, Director of University Extension, University of Toronto, as Grand Master.

OBITUARY

Armitage, John T., Dunrobin, Ont., warden of Carleton county and reeve of Thorblon township (65).

Bagnall, W. Ellsworth, Meach Lake, Que., broker, former railwayman (75).

Belanger, Arthur, Maskinonge, Que., mayor of Maskinonge. **Boylan, Dr. J. Naresse**, Hull, Que., physician, member of Hull council (64).

Cameron, Alexander F., Beauharnois, Que., office manager Howard Smith Paper Co. (33). **Clark, Joseph T.**, Toronto, editor-in-chief Saturday Night Star, former editor Saturday Night (72).

Cohen, Abraham Z., Montreal, member firm L. Cohen & Sons, former president Baron de Hirsch Institute (57). **Dickson, William Parker**, St. Lambert, Que., manager Textan Co. (43).

Dietrich, P. Howard, Montreal, general manager Asphalt Paving Contracting Co., former chief electrical engineer C.P.R. (37). **Ferguson, Capt. Donald**, Forchu, N.S., fisherman (106).

Fraser, Rev. W. M., Halifax, retired Presbyterian minister (81). **Gladwish, William Edward**, Montreal, photographic expert, founder firm of Gladwish & Mitchell (64).

Gow, Fred G., Winnipeg, retired federal fruit inspector (79). **Hall, Major Henry Forsyth**, Quebec, manager of Brown Corp., paper manufacturers (41).

Hunter, William Allen, London, Ont., president Hunter Printing Co. (71). **Johnstone, James C.**, Edmonton, grain dealer (72).

Kennedy, Dr. C. Angus, Toronto, dentist, past president Ontario Dental Society. **Kerrigan, Ernest**, Chester, Windsor, Ont., engineer and executive connected with construction of Detroit-Windsor tunnel (54).

McFarland, Joseph Walter, Vancouver, railway, bridge and waterworks builder, real estate man (84). **Mongean, Hormidas**, Montreal, former president Mongean & Robert Co., Ltd. (81).

Oland, John C., Saint John, N.B., brewer, former mayor of Dartmouth, N.S. (87). **Poirier, Joseph M.**, Montreal, marmalade manufacturer (50).

Robert, William Henry, Montreal, waterway expert, writer on power subjects (80). **Saunders, Sir Charles**, Toronto, retired Dominion Cerealists, developer of Marquis wheat and many other varieties of grain (70).

Thompson, George C., Toronto, insurance broker (86). **Wallace, Robert J.**, Brockville, Ont., retired educationist (91).

Wilson, James G., Toronto, former warden of Halton county, municipal road authority (82).



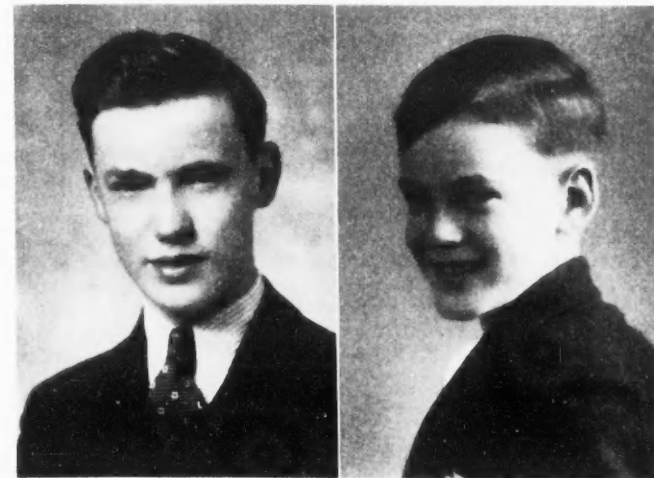
REV. GEORGE G. WEBBER, of Vancouver, who has succeeded Dr. Charles Herbert Huestis as General Secretary of the Lord's Day Alliance of Canada.

and Manitoba and Winnipeg representatives, Premier John Bracken announced he had "reluctantly" decided that the provincial Government will assume a sufficient share of Winnipeg's relief expenses to enable the city to continue aid on the present scale.

Taxation: Hon. Stuart Garson, Provincial Treasurer, announced Manitoba will either have to enlarge its fields of taxation or drastically curtail social services if it is to avert complete financial collapse.

ONTARIO

Hydro: O.H.E.P.C. announced general reduction of \$3 per horsepower in interim power rate to all municipalities in its Eastern Ontario system.



JOHN BRYAN and WILLIAM GUTHRIE GRANT are the winners of the Entrance Scholarships to St. Andrew's College awarded on the basis of the school's Dominion-wide examinations, and valued at \$400 a year throughout the St. Andrew's course. John Bryan is the son of J. W. Bryan, of Woodstock, and a nephew of G. A. Lyons, Assistant Registrar of the Ontario Department of Education; he comes from Woodstock Collegiate. W. G. Grant is the son of Mrs. J. A. C. Grant, of Gravenhurst, and comes from Gravenhurst Central School.

Letter to the Father of a 21 Year Old Son

If you are a wise father, you'll be honest with your son. You'll tell him both sides of the argument between prohibitionists and those who believe in true temperance.

If you have brought him up in the British tradition, you can be sure he will want to know both sides.

Right now he is hearing from the prohibitionist, who is loudly crying that the beverage rooms are corrupting youth and debauching public morals.

You will do your son and yourself a favor if you set him straight. Tell him what happened when we had prohibition. Tell him about secret drinking of bad liquor in automobiles and blind pigs. Tell him how it bred contempt for law... how bootleggers prospered and how racketeering and lawlessness grew.

Tell your son that people can't be made sober by law. Tell him that the way of tolerance and temperance is best.

Today, now in certain communities, men are trying to persuade us to extend local option laws, close beverage rooms. The occasional drinker who indulges too freely... the few license holders who may not always adhere to the strict regulations of the Ontario Liquor Control Board, are being used as arguments against present conditions.

So tell your son the whole story. Tell him this... that properly conducted beverage rooms are the first defence against the bootlegger, the strongest weapon against excessive drinking.

Tell your son about true temperance — which is moderation and self-control.

• This advertisement is inserted by the Beverage Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.

—National Affairs

POLITICAL UPSET

BY RIDEAU BANKS

BY GRACE of the fact that civilization has advanced so astonishingly that summer holidays are now an accepted necessity of life, this letter will be the last in the National Affairs column for the present season. In it, consequently, in an endeavor to give a species of aerial photograph of the Canadian political field at the present moment, we will deal briefly with a miscellaneous group of topics, each one of which, doubtless, would be worthy of more extensive treatment if our objective were not the maximum of suggestion within the minimum of space. We will indicate what we believe to be the principal issue steadily arising to confront the people of our fair Dominion. We will mention the phrase in Prime Minister W. L. Mackenzie King's recent radio address which has evoked the greatest amount of Federal discussion. And we will make a prophecy concerning Mr. R. B. Bennett's political future. Then we will tie ourselves to the Rideau Lakes where we know a quiet retreat peculiarly soothing to our gentle political soul—or it would be soothing if the fish were not usually more exasperating to deal with than even the politicians whom we meet in our every-day life in the Capital.

(CANADA'S greatest (potentially) political issue:

In view of the present internal condition of the two old-line political parties in Canada, one wholly triumphant, the other floundering at the low point of its fortunes, with its future outlook still uncertain, it is hardly to be expected that the main issue arising to confront the Canadian people today should be one between the two old-line political parties. Rather, it is one which transcends established party lines; it is one which neither party has yet deemed it expedient to recognize openly; and it is one which threatens to demand a complete re-alignment of the political forces of the country if it is to be combatted as it surely must be unless Canada is to join in at the tail end of the procession of the nations who have entrusted their destinies into dictatorial hands. It is more difficult to find a name for this movement than it is to put one's finger upon it objectively. Loosely, it is referred to, by those on Parliament Hill who discern it in the distance and are alarmed by its growth, as Fascism. The term is suggestive of its character, but it immediately arouses controversy as to its exactitude, and the issue itself becomes lost to sight in an argument over terminology. If Mr. King were to discuss it, he would doubtless refer to it as a threat to individual, democratic liberties. And it would be difficult to improve upon such a characterization.

The movement exists in Quebec in the guise of a steady approach that is being made towards an authoritarian state. In Ontario it has gathered formidable momentum in recent months under the mask of an opposition movement to the C.I.O. In both cases it is directed by interests whose definite objective is the control and domination of governments in order that they may control and dominate the free Canadian people. It is a formidable movement because of its financial resources. What would be a \$5,000,000 campaign fund to assure the Federal success of a Hepburn-Duplessis coalition to the interests who stand as political godfathers to these two formidable, plausible leaders? The answer is simple; it would be a mere bagatelle, compared with the profits which the interests would count on reaping from the success of such a coalition.

THE authoritarian movement in both Quebec and Ontario, of course, conceals its death's mask to democracy under an appearance of righteous benevolence. In both Provinces its alleged mission is to combat Communism. The important fact in this connection, however, is that Communism is whatever Messrs. Hepburn and Duplessis choose to stigmatize by that name. Thus in Ontario the C.I.O. is deepest red, while the A.F. of L. is icy white, regardless of the fact that at the 1936 convention of the American Communist party 223 delegates, or 70 per cent, carried A.F. of L. cards, of whom 85 were executive officers in the A.F. of L. In Quebec, for its part, an anti-Communist crusade is serving to divert public attention from the financial difficulties into which some of the clerical orders have landed as a result of their policies of the past several years. But the advantages of the crusade, apart from the temporary convenience to the religious orders, reverts to the interests which have been enabled to use it to place in power a government responsive to their suggestions.

These interests have already shown their hand in Ottawa. A lobby which federal Ministers describe as the most determined and arrogant in the history of Parliament Hill has just met initial defeat in its endeavor to have the depletion allowance made to gold mines and to their stockholders in connection with their income tax increase. As the law stands, a gold mine has one-third of its income tax remitted as an allowance for the depletion of the property, while holders of gold mining securities are given an exemption of 20 per cent on the same grounds.

CONSIDER the situation. Over the years of the depression the gold mining industry was the only one in the country to possess a guaranteed market for all of its product that it could produce. Furthermore, it had the value of its product arbitrarily increased 75 per cent by government action, without any corresponding advance in its operating costs. At the same time, the sales tax, which is a poor man's tax, has been increased to a maximum height of eight per cent. Yet the gold mining interests come to Ottawa asking further taxation favors.

And they come arrogantly and imperiously. They own a great organ of public opinion now in Ontario, which means that they have a club with which they can beat any politicians who may oppose them over the head. There are rumors in the Capital, furthermore, that they are negotiating the purchase of other newspaper properties.

Fortunately, however, one may agree or disagree with their political philosophy, the Ministers of the Mackenzie King Cabinet are not of a calibre that you can beat over the head with clubs. There will be no increase—unless the gold mining millionaires can muster enormously increased power—in the depletion allowance to gold mines or to holders of their securities. But the whole situation merits the thoughtful interest of every Canadian. Millions are being spent these days to make Canadian democracy the servant of special interests. And they are being spent in the expectation that they will be recouped many times over. For example: How many times over in a single year would the mining millionaires recover their expenditure on the *Globe and Mail*, if they could secure the change which they want in their depletion allowance? And what safety is there for the Canadian people in a press which, while controlled by these selfish interests, has the effrontery to speak in their name in its editorial columns?

As we have already stated, this is an issue which concerns Canadian democracy as a whole and not any individual political party. But it is an issue that, if it is to be met, demands re-alignment of existing political forces. The changes may be drastic and far-reaching in their effects upon both the old-line parties. That, however, is a subject in itself, too large to be opened in this short treatise.

MR. KING'S radio speech:

Generally speaking, the Prime Minister's utterance is believed to have been made with two purposes over and beyond its general one of reporting to the Canadian people upon the general character of the mission carried out by the Government chieftain at the Imperial Conference and upon continental Europe. The first purpose which Parliament Hill attributes to the address is as a preparation of public sentiment for another instalment of military preparedness at the coming session of Parliament. The second purpose credited to it is as an invitation to other countries to negotiate trade agreements with Canada without being deterred by the Dominion's obligations under the Imperial Trade treaties. Mr. King intended to emphasize, federal observers believe, that the policy of the present Government is one of freer international trade, rather than one of merely Empire trade.

Important as the defence and trade aspects of the speech were, however, they have not constituted the chief interest of the utterance in the eyes of Parliament Hill. Instead, the phrase to which federal circles have attached principal significance is the Prime Minister's declaration that we are living in an age of transition. And the phrase is regarded as interesting mainly for the fact that Mr. King apparently regards the transition as a process which is going on all around Canada, but from which the Dominion itself is immune. He mentions as our greatest problem the difficulty of protecting our economic and national life from the repercussions of the movements which are in progress in other lands. He makes no mention, however, of our own need to adapt ourselves to changing social conditions.

Now, from this manner of his treatment of the subject of world changes, federal observers are deducing the corollary that Mr. King has no intention of launching out on any extended program of New Deal or social legislation. Such a conclusion would be perfectly consistent with the Prime Minister's record. He has always held that all that Canada needs for a return of prosperity is a clearing away of the barriers to international trade. And the policy of the present Government has been concentrated largely in that direction. There is some ground already for contending, furthermore, that it is meeting with a definite measure of success.

HOWEVER, the question arises: What happens to Liberalism under such a policy? It is supposed to stand in the vanguard of movements of social enlightenment. To contend that the goal of social justice has been reached already, if only sufficient laissez-faire is practised in international trade policies to enable the system to operate, is certainly not the function of a crusading Liberal Party. It is a doctrine more compatible with reactionary Toryism.

Consequently, some thoughtful minds on Parliament Hill are asking how long the federal Liberal Party can continue to be the real Conservative Party of Canada? And what will happen to the now naked Conservative Party if Mr. King and his associates continue to persist in arraying themselves in its clothes, which they have stolen?

Once, again, it will be seen, the question is one of a re-alignment of present political forces. It must come. If one factor in the present situation does not compel it, another will.

WE close with a reference to Mr. R. B. Bennett. The Conservative Chieftain is meeting his parliamentary followers here next Saturday. He is looking remarkably fit after his travels. His spirits are of the best. Yet the impression is persistent that he has called the Conservative Commons together to announce to them his inability to lead them any longer. That is the prophecy we make, and we emphasize that we have no "inside knowledge"

on which to base it. We are just presuming, for once, to be psychic. It is quite conceivable that "R. B." may fool all expectations of his retirement. He is celebrated for being an unpredictable person. And, to all appearance, he desires to enter the lists for another Federal election contest, he has all that it will take physically to go through the grueling ordeal of another term in the Prime Ministership, if the electorate should so order.

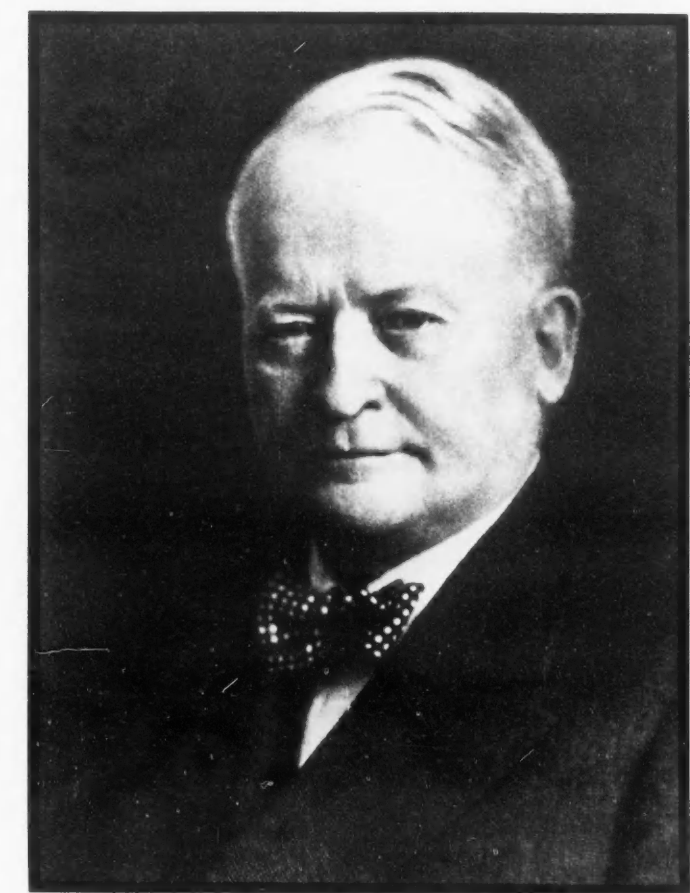
His loss, at the present time, will present the Conservatives with a leadership problem which may, indeed prove to be without solution. The canvass conducted by the party in recent months has revealed few suitable and apparently no available candidates for Mr. Bennett's office. The future of the Grand Old Party may well be said to hang in the balance, with the possibility that instead of continuing its historic unity it may contribute to the re-alignment of political forces which observers are prophesying for the near future in the Dominion.

Realization of the critical party situation which his withdrawal would precipitate may conceivably prove a decisive factor in influencing Mr. Bennett in the course which he will pursue.

A football player was instructing a group of eager young fellows in the art of the game.

"Mind," he said, "if you can't kick the ball, kick one of the players on the other team. Let's get busy. Where's the ball?"

"Never mind the ball, let's get going with the game!" cried an enthusiastic young pupil. *Columbus Jester.*



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SALUTE TO VALOR

The following is the speech delivered by His Honor Dr. Herbert A. Brown, Lieutenant-Governor of Ontario, in presenting a medal to Dr. Allward, creator of the Canadian Vimy Memorial, at the premiere of the film "Salute to Valor"—a record of the Vimy Pilgrimage of last summer—at Shea's Hippodrome in Toronto recently.

WE WITNESS this evening the historic record of a great pilgrimage. We shall see the return of more than 6000 men and women to the scenes where two decades ago the blood of Canada was outpoured in sacrifice. As a member of the Canadian Legion I shall but express what we all feel when I say that, under the leadership of General Alex. Ross, this pilgrimage was a marvel of organization. I would voice, therefore, the gratitude of all Canadian ex-service men and women for the opportunity granted them to return on a pilgrimage of peace to the land in which they once fought as warriors.

High above that great gathering of men and women there sat the twin pylons of a superb monument to 60,000 Canadians who died in battle. Even as that gigantic symbol of the sorrow and gratitude and admiration of Canada dominates the plain over which it towers, so too does it dominate this film, this official record of a historic never-to-be forgotten day. Every scene we shall witness revolves about that inspiring Salute to Valor. The Canadian War Memorial on Vimy Ridge is indeed a tribute paid by genius in the name of this Dominion to the tens of thousands of Canadians

who died believing that thereby peace would be perpetuated and freedom made secure.

THE South African War Monument on University Avenue in this city, the Figures of Governor Simcoe, Sir Oliver Mowat and John Sandfield Macdonald, and the monument to the North West Rebellion in Queen's Park, the great symbolic group in the city of Brantford commemorating Alexander Bell's invention of the telephone—all these and many more are the creations of Dr. Walter Allward. But greater than these, the Vimy Memorial, the supreme masterpiece of his distinguished career, proclaims in imperishable stone its message of the havoc and sorrow of war, the nobility of the ideals inspiring the combatants contrasted with the abomination of desolation in which war inevitably ends.

The names of 60,000 Canadians are inscribed on this monument. Their names and the memory of them shall endure. The two pylons upraised side by side represent Canada and France, allies in that stupendous struggle. No hint of hatred and no glorification of war are to be seen in this monumental Salute to Valor. Only a remembered sorrow, and the pathos of young lives suddenly cut down, breathe in the figures which are the creations of the skill, the imagination and the deep human understanding of Dr. Allward.

JOSEPH T. CLARK

BY ALBERT R. HASSARD, K.C.

JOE CLARK is dead. He died on the twenty-third day of July. He has been fittingly eulogized in all branches of the press. And he deserved everything that was said about him.

It was as editor of SATURDAY NIGHT that I first knew him, over thirty years ago. That paper was then published from the old Adelaide Street Grand Opera House. The famous and brilliant Edmund E. Sheppard ("Don" Sheppard) was its general manager, and perhaps editor-in-chief at the time.

Not only was SATURDAY NIGHT in those days a celebrated social journal, but Clark elevated it to a high place in the literary arena. The last in limit of page six (or was it eight?) he always devoted to poetry. There were a number of amateur poets in Toronto and its neighborhood then. And there were others who were just becoming famous. There were Archibald Lampman (with his glory already fully conceded), and the two Scotts, (Duncan Campbell and Frederick George), William T. (now Professor) Allison, Frank L. Pollock, Marjorie Pickthall, and a number of others, and I may as well confess that I essayed a little verse writing myself. Ethelbert Cross, with scholarly language and brilliant pen, was also another aspiring writer, although he usually chose prose as his medium of proclaiming erudite truths. These and others clustered around the genial editor of SATURDAY NIGHT. Most, if not all of them, wrote well. (I am now omitting all reference to myself.) Mr. Clark freely threw open this column to the verse writers. Mr. Allison thought that the position in that column accorded to a poet in literature was the editor's poetic preference. Once he came into the office where I was studying law then, with the poetry page in his hand, and generously called out to me, "Here, the Editor has given you first place in

Justice and Honor, Faith and Peace, the sorrow of angels, and the angelic figure of sorrow; two great groups of figures representing on the one hand the "Revelation of the Sword" and on the other "Sympathy for the Helpless."—these are the figures with which this memorial is adorned.

HOW greatly does he deserve honor who has honored all Canada by the power and sympathy of this warless monument to the fallen. I am proud and happy that I have been chosen to present, on behalf of the Canadian Legion of the British Empire Service League an honor which hitherto has been conferred only upon Kings and Presidents. It is a gold medal—the Gold Vimy Pilgrimage medal—the highest honor which we, the Canadian Legion, have it in our power to confer upon one who deserves so richly of us and of all Canadians.

As I present it to you, Dr. Allward, I would have all those within the sound of my voice envision the hundreds of thousands of all nations who, posing that great monument at Vimy, will behold in it the spirit of Canada. Dr. Allward has proclaimed that spirit in a manner which all men can understand and with a nobility of conception which shall win the admiration and even affection of generations to come.

It is with the very greatest pleasure that I present the Gold Vimy Pilgrimage medal to Dr. Walter Allward.

the column this week." I was very proud to see that my little effusion was there at the top of the page, but some Africanian stanza was there, I think, the very week afterwards.

Mr. Clark put into an editorial once a sharp admonition to anyone who had anything to say about the bicycle, which in the nineties of last century was leaving little room for verse. "For," said he, "there is only one word in the English language which rhymes with bicyclic, and that word has no affinity to the two-wheeled silent steed." With an irreparable lack of modesty I proceeded to write some verses about the bicycle, in which the word "bicyclic" was not even mentioned, and the effusion only appeared in the final column of page six of SATURDAY NIGHT.

Professor Allison's "Polar Chorus," a brilliant lyric, and his "Watlimon of the World," appeared in SATURDAY NIGHT, and parts of them appear in the Professor's excellent volume of verse, "The Amber Army."

Ethelbert Cross wrote singularly fanciful stories, which he published in SATURDAY NIGHT, in those years, and he afterwards incorporated them with some brilliant essays and strike the verses in a book entitled "Fire and Frost." This book fell on a world utterly oblivious to the beautiful, and copies of it are available only to the few today.

Mr. Clark caused nearly all the pages of SATURDAY NIGHT to be pasted up in the large window of the office fronting an Adelaide Street. Thus contributors could see if their productions were printed without going to the expense of purchasing a copy of the paper. And even this trifling was a boon to young writers in those years, when the price of the paper was prohibitive to poets who were working at various occupations at salaries of only three or four dollars a week.

ORIENTAL QUESTION AND BRITISH COLUMBIA

BY TOM REID, M.P.

THE Oriental question is today one of the most important in the Province of British Columbia. So serious has this become of late years that the Provincial Government has at various times appointed commissions to look into the matter.

So that a proper and better understanding of the Oriental problem may be obtained, it is perhaps advisable first of all to give a brief history of Oriental immigration into Canada from Confederation days up to the present time. It should be noted, however, that the Oriental or Asiatic question in Canada is primarily a British Columbia question and does not to any extent, it at all, affect the other Provinces of the Dominion. According to a provincial survey over a period of twenty years, eighty per cent of all Chinese immigration to Canada is resident in British Columbia, ninety-eight per cent of all Japanese, and ninety-nine per cent of the Hindus, resident within that Province.

Practically all Oriental and Asiatic immigration is confined to British Columbia and those living east of the Rocky Mountains are wholly unaware of the seriousness of this Oriental penetration within the Province of British Columbia. In regard to Hindus, these are not at the moment, nor are they likely to become, any great problem, the estimated total number being not over 1,400, and of this number only about two per cent are females, so that no great increase is feared.

THE Chinese were the first of the Oriental peoples to settle in British Columbia, some having landed on the Pacific Coast before Confederation. There was some fear even as far back as 1889 that Canada might be over-run by Orientals, for legislation governing the entry of persons of Chinese origin was first enacted in that year, at which time a head tax of \$50 was placed as a barrier to their entry. This was later increased in 1901 to \$100 and again in 1904 was raised to \$500 for every Chinaman coming in, but so great was the number of Chinese immigrants entering, that in 1923 the legislation governing the entry of Chinese was repealed and a new Act passed. This enactment abolished the head tax entirely and provided only for the entry of members of the diplomatic corps; children born in Canada of Chinese parents who have left Canada for educational purposes; merchants; and students coming to Canada for the purpose of attending university. This practically closed the door insofar as the Chinese were concerned, as since that enactment in 1923 only some seven Chinese have entered as immigrants.

The total number of Chinese immigrants entering Canada, according to the Department of Immigration records, since 1886 amounts to 90,326, and of this number 82,370 entered on payment of head tax.

It is difficult indeed to state accurately the precise number of Chinese in Canada and particularly in British Columbia, owing to certain well-known factors such as: the number of Chinese leaving Canada and returning, the number of deaths, the num-

ber who have entered surreptitiously, the difficulty in taking a census of the Chinese population, and the reluctance of the Chinese to register births. The same difficulties apply with equal force when dealing with figures of the Japanese population, which will be dealt with later.

It would only be fair to state, however, that the number of Chinese is now somewhat less than a few years ago owing to the return of many Chinese to their native land. The fact that the number of Chinese females is only ten per cent of the Chinese males, is also quite an important factor in preventing the natural increase which would ensue were there more Chinese women.

The latest official figures given are those issued by the Economic Council of British Columbia in September, 1935, the total Chinese in British Columbia at the end of 1931 being given as 27,139, of which 24,900 were males and only 2,239 females. This ratio is in distinct contrast to the Japanese where the Japanese females almost equal the number of Japanese males in the Province.

IMMIGRATION to Canada from Japan did not begin to be extensive until the years following 1900. Previous to that year the number of Japanese was estimated to be 1,400. Due, however, to the great numbers entering in 1905, 1906, and 1907, in which latter year some 7,604 Japanese immigrants entered, the Government of that day negotiated with Japan what has been called a Gentlemen's Agreement, whereby Japanese immigrants were to be limited to only 400 per year. Unfortunately, however, it was later discovered that Japan was not observing the agreement entered into, as far greater numbers of Japanese were coming to Canada than the 400 per year agreed upon, the number entering for one year alone, according to the Department's records, being 1,178. It was during those years that the so-called picture brides came to Canada in such large numbers. At this time Japanese resident in British Columbia could and did pick out wives for themselves from photographs, and those so chosen entered Canada as the wife of some Japanese.

After much negotiation between Canada and Japan a new Gentlemen's Agreement was finally concluded in 1928, when it was arranged that the number should be definitely fixed at not more than 150 yearly—75 males and 75 females, and this number has more or less maintained since that time. According to the latest official figures issued by the Research Department of British Columbia, who made a complete and careful survey of the Oriental question on behalf of the Provincial Government in 1935, there are approximately 30,000 persons of Japanese birth or origin resident in British Columbia at the present time. The total Oriental population, both Chinese and Japanese, is approximately 60,000, so that one in every ten is of Oriental birth or parentage.

Mention should be made of the number of Japanese who have entered Canada surreptitiously and also of the

great number of Japanese who are holders of naturalization certificates presumably issued in British Columbia, but who obtained these faked naturalization certificates before leaving Japan. A highly organized racket was exposed in 1931 before the Courts of British Columbia when a Japanese was convicted as the leader of a group who had been practising this nefarious game for upwards of ten years, during which time it was estimated hundreds of Japanese had entered Canada with false naturalization papers.

ONE has only to visit British Columbia to see for himself the inroads made by Orientals in all branches of industry. Wherever one goes both Chinese and Japanese of all ages and both sexes will be seen at work in pulp mills, logging operations, fish canneries, etc., and on the coastal steamers, where they have been employed for many years past. Orientals are employed in practically all pursuits from laboring and farming to the professional and commercial occupations.

It is interesting to note the inroads which have been made by the Japanese in the Canadian fishing industry. Out of a total of some 12,325 fishing licenses issued by the Department of Fisheries, in 1935, 2023 of these were issued to those of Japanese birth or origin as against 2,971 to Indians and 7,331 to whites.

It has been stated that the Japanese born in British Columbia do not speak the Japanese language. This statement is far from the truth. Not only do they speak Japanese when conversing with all those of Japanese origin and birth, but they see to it that the children, whose parents are unable to send them to Japan, learn not only the Japanese language but Japanese culture, etc., as well, and Japanese day schools are held almost everywhere throughout British Columbia where Japanese are to any extent congregated. The Japanese children have to attend school under Japanese instructors after regular school hours and on Saturdays, also during the usual annual summer and winter recesses.

THE question of assimilability of race is extremely important, especially from the standpoint of our national life, economic and otherwise. Without dealing too exhaustively with the question of what is meant by non-assimilability, it perhaps can be stated to be when one race of people cannot, biologically speaking, be absorbed into another race of people by the union of the two races in marriage, and this is the case in regard to the Chinese and Japanese, whose blood stream is principally Mongolian or Polynesian, marrying into our own race. As a matter of fact the danger is that the Chinese or Japanese by intermarriage would absorb our own race, and this is simply borne out by the fact that in the few instances where a Chinese or a Japanese has married a Canadian woman or vice versa, the offspring born from the union of these two races have distinct physical character-

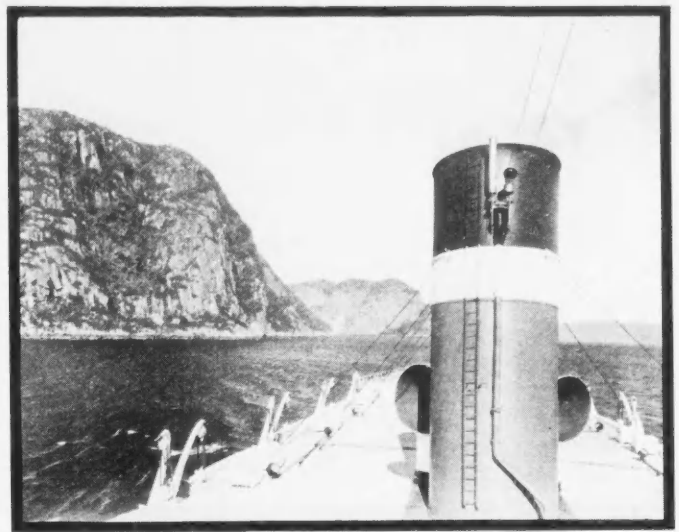
istics and are unmistakably Oriental in features and appearance. It is not generally known, however, that the Japanese themselves do not encourage marriages with other races such as ours. How then, it should be asked, is it possible to absorb a race such as the Japanese or Chinese without intermarriage? Canada, like the U. S. must be built up of a homogeneous race, although there are some who believe that admixture of blood of all races is beneficial to mankind, but usually those who advocate or believe this want it tried out by other people's sons or daughters rather than their own. Apart from all this, however, we should face the question that even if assimilation were possible, which of the two races would predominate?

THE disinclination of the Japanese to relinquish their citizenship is perhaps looked upon by them as being a virtue rather than a fault, and possibly furnishes one of the outstanding reasons for the great national solidarity of Japan, unique among the nations of the world today. It does, however, furnish an equally good reason why the average Japanese cannot, in the strict sense of the word, make a good Canadian citizen. The further fact should be noted that China likewise makes claim to all Chinese living abroad, and even Chinese born in alien lands are not allowed by China to change their nationality.

What is particularly feared in British Columbia is the danger of Japan maintaining a separate state within Canada. What has taken place in other countries, particularly Hawaii and California, should be a lesson to Canada. As late as the early 1920's Japan maintained in California a state within a state, in which every Japanese, whether alien or native-born American citizen, was under orders from Japan in peace or in war, and was forced to belong to a local association under the control of the Consul General of Japan at San Francisco.

In 1924 when the new law regarding registry of births abroad was put into effect by Japan, the argument was advanced by the Japanese abroad, just as it is being advanced today by the Japanese in British Columbia, that dual citizenship would largely disappear. Such, however, has not been the case. Various factors, including the insistence of the first generation, the pull of heredity, the Japanese law of family, the teachings of Buddhist instructors in the Japanese language schools, and the encouraged study of Japanese culture, tend to nullify the purpose of the law. It was estimated by Governor Joseph Poindexter in February, 1936, that in Hawaii over two-thirds of the Hawaiian-born Japanese retain their Japanese citizenship with all obligations thereof. It has been estimated on fairly reliable authority that nearly fifty per cent of the voters in Hawaii are of Japanese origin or birth.

PROVINCIAL governments have at various times endeavored to grapple with the problem of oriental economic activities in that Province. One aspect of the Oriental problem in



ON DECK. A view typical of the wonderful sights along the Saguenay. —Photo courtesy Canada Steamship Lines.

B.C. has been recently brought to the attention of the public. At a largely attended representative gathering of farmers held on February 23, 1937, in Cloverdale, close to the city of New Westminster, a demand was made to the Provincial Government, asking that a Royal Commission be appointed to investigate the actions and activities of Chinese vegetable growers, wholesale, and commission houses, who it is authoritatively stated, are in complete control of the sale of all vegetables, and who seem to act at variance with control laws as to marketing, etc., and in open defiance of provincial statutes.

A complete provincial survey was made as far back as 1927 in British Columbia, and disclosed to what extent economic Oriental penetration had then been reached in the Province. The following extracts are given from that report:

That at the beginning of 1927 the Oriental population of the Province is at least 46,500, or in other words, 1 in every 12 persons.

That the Japanese birth-rate is 10 per 1,000, as compared with a general birth-rate of all races, except native Indians, of 18 per 1,000.

That the increase in the Japanese population through the excess of births over deaths is greater by more than 2 to 1 than the immigration of that race.

That the arrivals of Japanese women have greatly outnumbered the arrivals of men for several years past, and that at the present time two women come in for every man that enters.

That Orientals own land and improved property in British Columbia to an aggregate value of \$10,191,250 and lease property valued at \$1,099,500.

That in three years the number of Japanese children in the public schools has increased by 74 per cent, while in the same time the number of white children has increased by 6 per cent.

That the handling of produce and garden truck by peddlers or hucksters is almost entirely in the hands of Chinese, and that the same applies

to the sale of vegetables in stores, to the extent of 91 per cent in one city.

QUITE a number of years ago when the Chinese were beginning to arrive in large numbers, British Columbia passed a law prohibiting Chinese and Hindus from voting at elections; they were also precluded from running for offices such as school boards or the provincial legislature. Later when the Japanese began to arrive, this race was included in the Franchise Act. So far, although efforts have been made from time to time on behalf of the Orientals, British Columbia does not allow them to vote. The Dominion Government, in keeping with the attitude of the people of British Columbia, amended the Dominion Statutes in 1929. The effect of this had been to prohibit those who are not allowed to vote at provincial elections from voting at Dominion elections.

Stronous efforts are being put forth at the present time by the Japanese in an endeavor to obtain the franchise, and an appeal has been made to Ottawa to allow them to vote in British Columbia. It should be pointed out, however, that the granting of the franchise to Japanese in British Columbia would be but the thin end of the wedge which would be used to compel the granting of the vote to all unassimilable races.

The granting of the franchise will not, and indeed could not, break down the peculiar racial characteristics which the Oriental has, and which it is admitted still exist. It would, however, as they themselves readily suggest, further economic assimilation, but are we in Canada prepared to allow an unassimilable race of people to control the economic and political life of not only Canada, then of British Columbia?

Once Orientals secure the franchise in British Columbia the next objective contemplated is to obtain legislative positions, such as municipal, provincial, or Dominion. When that time comes, the Oriental governments will then have an active voice in Canada and so help to shape the policies of this country. We trust that day is yet far off.

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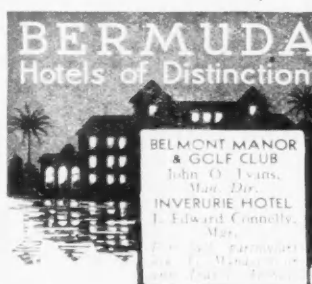
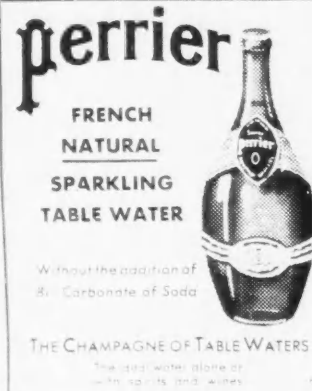
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THE FILM PARADE

BY MARY LOWREY ROSS

THREE COMEDIES

AN INTELLIGENT Russian making the rounds of American movies must almost inevitably conclude that the movie public in this country is a capricious infant and Hollywood an overwrought nursemaid forever inventing newer and wilder antics for the infant's entertainment. It must also seem to him beyond dispute that both the nursemaid and her charge are stark, staring mad.

Comedy in America, he must reason, is sheerly destructive. Where in this country can one find for instance, the droll and lovable character almost always present in Soviet comedies, whose perfectly intelligible oddity is that he doesn't want to work? To our visiting Russian the notion that anyone should be unwilling to co-operate with the Soviet plan seems in itself a sufficiently hilarious idea. Here, on the other hand, comedy has no relation to any plan on earth. The comedian is always deliberately on his own. Even his destructiveness is sheerly willful. He has no class-awareness whatever. When he sets himself to smash all the crockery in a capitalistic pantry it is simply because a well-equipped pantry provides more crockery to be smashed. He is sworn enemy to order, except possibly the social order of which apparently he has never heard.

Let us say that our intelligent Russian, a fanatical student of the American way of nonthinking, were to attend in succession "A Day at the Races," "Easy Living" and "New Faces of 1937." "A Day at the Races" would probably convince him in five minutes that our society, pressed upon from above and below has now reached the point where a frenzied hysteria is the only outlet. As for "Easy Living" it would represent the peak of extravagance and corruption, and he would certainly see some relationship between the action of the banker pettily tossing a kolinsky wrap off the roof and the subsequent looting of the Automat, the scene in which the hero accidentally releases a switch, throw-



ROBERT DONAT, the young English actor whose screen triumphs include "The 39 Steps" and "The Ghost Goes West," who is co-starred with Marlene Dietrich in "Knight Without Armor," from the novel by James Hilton, "Without Armor."

comedy, that it has nothing whatever to do with national economies but springs simply from the American passion for invention. When in "Easy Money" he throws over the controlling switch in the Automat there is sheer joy for the audience in the brilliant precision and unanimity with which the hundreds of little glass doors instantly fly open. We're a technically minded people in this country and we love to see the wheels go round. And if anything can add to our pleasure it is to watch the machinery—or the situation—set in reverse and all the wheels beginning to move with beautiful precision in the wrong direction. We adore gadgets and don't mind particularly if they are almost completely witless in their ultimate purpose as long as they are sufficiently ingenious in their construction. It's a point of view that applies even to the American wisecrack. When Groucho Marx, taking Harpo's pulse, says suddenly, "Either he's dead or my watch has stopped," we get exactly the same astonished sense of pleasure as we do from a Rube Goldberg invention, which is brilliantly ingenious up to the point where it doesn't mean anything at all.

When American comedy follows what appears to be the law of its own nature and doesn't attempt to be poignant or wistful or even humanly droll, it is almost always satisfactory, at any rate to the American public. "Easy Living" for instance is first rate comedy because it clicks off its prepos-

terous situations as though the whole thing had been set to a furiously ticking microphone. Also because the dialogue has exactly the right American combination of ingenuity and deliberate pointlessness. (For example the conversation between Edward Arnold and Jean Arthur about percentage reckoning in the taxicab.) And finally it is good because its wholly outrageous plot has been tightened up at every point by Hollywood's expert technicians.

"A Day at the Races" when you analyze it is good for almost exactly the same reasons. For all its frantic lunacies it is fundamentally the work of technical experts who checked it at every point and even sent it out on test-flights on the Coast before launching it across the continent. There is intelligence behind everything the Marx Brothers do—the vigilant intelligence of the inventor watching to see how well the thing works.

As for "New Faces of 1937" the intelligent foreigner, if he sat through it at all, would be entirely justified in thinking the worst of American civilization. "New Faces of 1937" is bad comedy—and there are no words to describe how bad it actually is—chiefly because the producers seem to have assumed that witlessness in itself is enough for entertainment. If the comedy of Joe Penner, Milton Berle and Parkyarkus is entertainment, then so is the distressing vacuity of the village half-wit, on which it is closely modelled.

MUSICAL EVENTS

BY HECTOR CHARLESWORTH

SUMMER SYMPHONY

ONE satisfaction for a writer on music provided by the Promenade Symphony concerts at Varsity Arena is that on most occasions he is something fresh to write about. Instead of being obliged to ring changes of commentary in respect of masterpieces he has heard many times. The other night for instance we had a real "musical piece" in the form of a "Concerto Pathétique" by Franz Liszt, which, so far as is known, has never before been played in this country. I had no idea that there existed any major pianoforte composition by Liszt that had not been exploited on the concert platform on this side of the Atlantic, although many of his orchestral and choral compositions are quite unknown to the present generation.

The "Concerto Pathétique" must be at least twenty years old and is not for piano and orchestra but for two pianos. It was played by the brilliant young pianists, Scott Macdonald and Reginald

Golden. Shortly before the Toronto presentation they played it at a large musical convention in Indianapolis where it naturally excited a great deal of interest among professional musicians. It is typically Lisztian, loose and romantic in structure, and it is said that the final recapitulation which gathers up the many themes and binds them together in a majestic coda, was the work of his erstwhile son-in-law Hans von Bulow, himself a great pianist. Liszt was the father of what is known as "orchestral pianism," possessed of a virtuosic facility quite unknown in connection with his chosen instrument up to his time. This Concerto, though replete with charming melodies, is overloaded with brilliant passage work interjected merely for the purpose of technical display. Nowadays it does not move anyone very much, but the resurrection of a museum piece so typical of its period, has profound retrospective interest. Considering the fact that the performance was given in a humid atmosphere under conditions of extreme heat, the rendering by the two pianists was impressive in spirit and skill.

The largest audience which has been assembled since the opening concert on June 3rd was obviously pleased, and Messrs. Macdonald and Golden were compelled to give four extra numbers. These included a charming Bach transcription "Sheep May Safely Graze," and a really brilliant rendering of Weber's "Moto Perpetuo," in which the facile finger technique of both artists was amply displayed.

Reginald Stewart also provided an orchestral novelty, the first performance in Canada of one of Arnold Bay's more recent works, an overture entitled "A Picaresque Comedy." The title implies a type of tale light in touch, and replete with piquant incidents. This idea is sustained throughout the work, which is sparkling and scintillating, and amazingly clever in its harmonic devices. The orchestral rendering was excellent under the buoyant and vital guidance of Mr. Stewart. Later the conductor gave another modern work of even greater vivacity and cleverness, the ever popular "Polka and Fugue" from Weinberger's opera "Schwanda." This work justifies repeated hearings and I found joy in taking the melody for granted and listening for the intricate contrapuntal effects which give very high distinction to the Fugue.

Mr. Stewart was at his best in that greatest of classic symphonies, Beethoven's Fifth in C minor. Ernest Newman said not long since that he knew of really sincere English music lovers, who, while admitting the greatness and nobility of this work, were so saturated with it that they could not bear to sit through it. I have not myself reached the saturation point, though I like one or two of Brahms' symphonies better. The work is really glorious in nobility, profundity and transparency, and Mr. Stewart gave an interpretation marked by firm control of his forces (though I caught a sour note over in the wind section once), thoughtfulness and dignity.



LAIL, BLONDE, gracious member of one of America's most distinguished families, Emily Roosevelt, soprano, will be the assisting artist at the Promenade Symphony Concert in Varsity Arena next Thursday evening. Miss Roosevelt has recently completed a most successful tour of Europe, including London, and her appearance here is eagerly awaited.

and the Automat wide open to a public suddenly frenzied by the sight of free canteloupes, chicken drumsticks and pie à la mode. What he would make of the following sequences it is impossible to imagine, just as it is impossible to imagine what he would make of "New Faces of 1937." If he were half as intelligent as I take him to be he would set up and leave the latter film before it was a quarter over.

It is possible of course that our Russian, thinking things over quietly at the end of his hard day, might hit on the real explanation of American

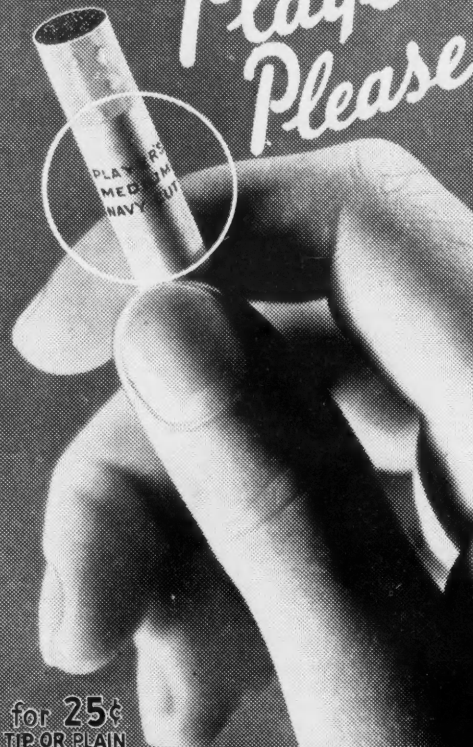


"MISS TORONTO" Miss Billie Hallam, selected as the most beautiful Toronto girl at the annual Toronto Police A.A.A. games. When Miss Hallam is not winning beauty contests she is playing softball.

—Photo by James.

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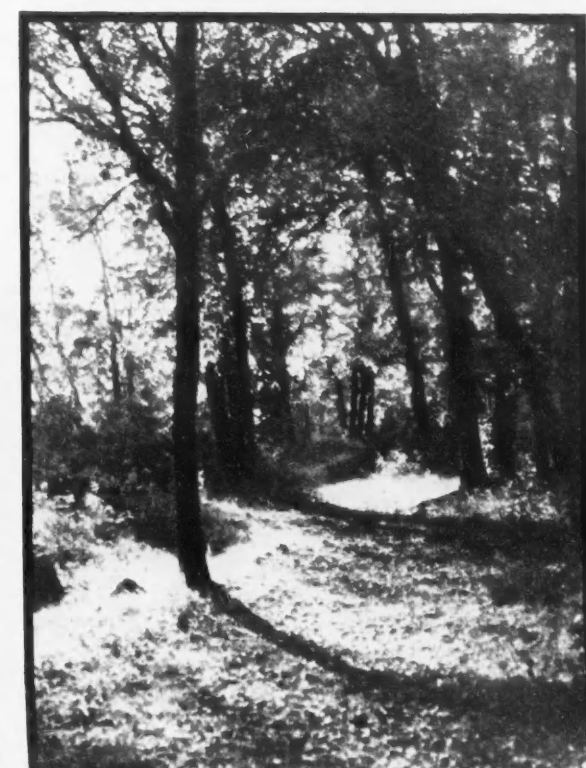
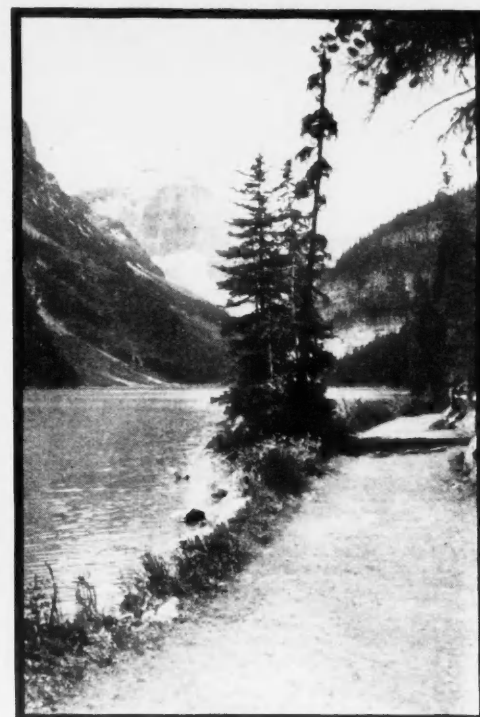
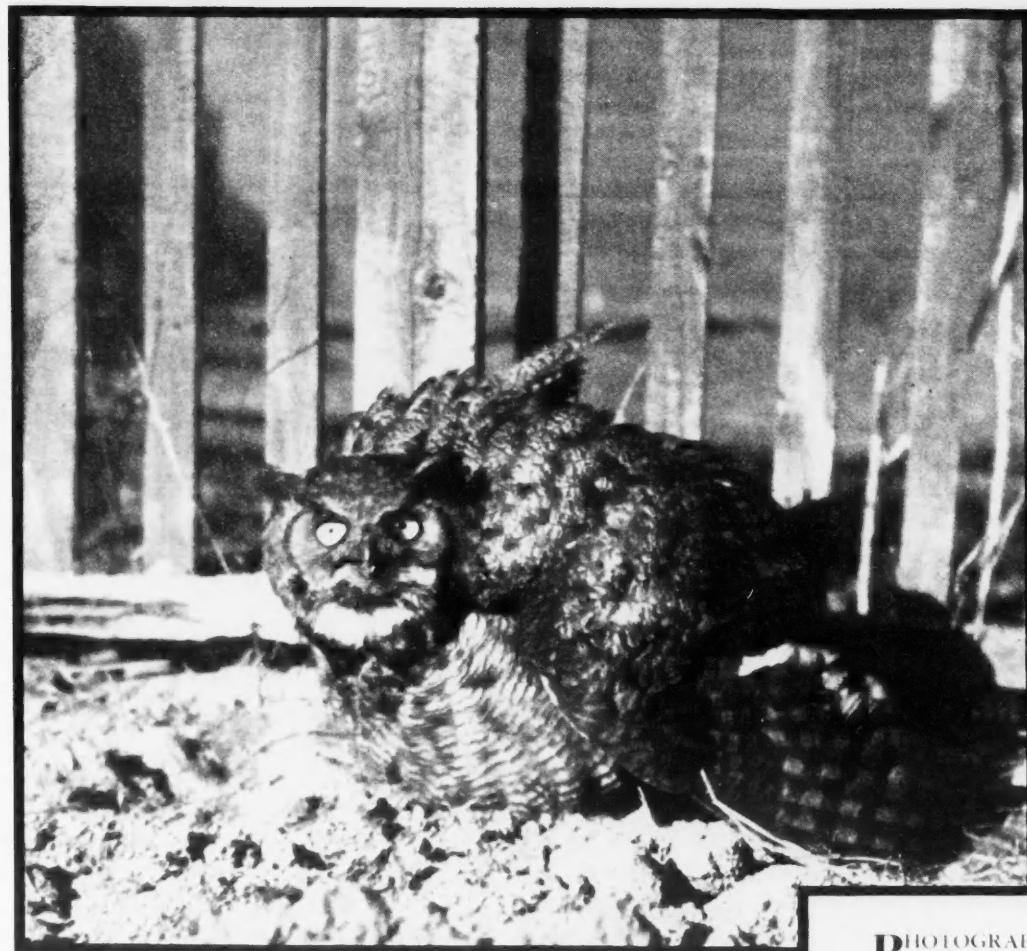
SPARKLING
WATER

SATURDAY NIGHT

PEOPLE » TRAVEL » FASHION » HOMES » LETTERS

TORONTO, CANADA, JULY 31, 1937

COMPETITION HONORABLE MENTION AWARDS



PHOTOGRAPHS on this page are all winners of Honorable Mention Awards in the Summer Photograph Competition. TOP LEFT, "Qui Vive?" by Roland J. Richardson, 515 Lancaster Bldg., Calgary, Alta.; Kodak, K2 filter, Agfa Super Plenachrome film, 1/100 sec. at F16. TOP RIGHT, "Finale" by C. C. Falck, 532 Lougheed Bldg., Calgary; Rolleiflex, Kodak S.S. Pan film, 1/50 sec. at F5.6, three photofloods. MIDDLE LEFT, "Cornered," a study of a captured great horned owl by David H. Baker, 184 Cartier St., Ottawa; Kodak, S.S. Pan film, 1/50 sec. at F6.5. MIDDLE CENTRE, "Lake Louise," by Miss Evelyn K. Johnston, Bishop Strachan School, Toronto; Kodak, Agfa Plenachrome, 1/100 sec. at F16. MIDDLE RIGHT, "Afternoon Shadows," by Miss Ruth Estelle Thompson, 537 Main St., Hamilton, Ont.; 1/25 sec. at F11. LOWER LEFT, "Aficionados," by Nick Lipton, University Settlement Camera Club, Toronto; Kodak Anastigmat, Selochrome film, three photofloods, 1 1/2 sec. at F22. LOWER CENTRE, "Hunter's Dawn," by Lawrence S. Day, 133 Strathallan Blvd., Toronto; 6:45 a.m., 1/50 sec. at F16. LOWER RIGHT, "Autumn," by Jackson Hayward, Pilot Mound, Man.; Zeiss Super Ikonta, Selochrome film, 1/25 at F5.6.

THE DISTAFF SIDE

BY MARIE CLAIRE

SURELY picking ripe cherries on a blue and gold day is one of the most beautiful jobs within the scope of woman.

We do not suggest for one moment that it is one of the easiest or even the most economically productive jobs. We merely feel it to be one of the most beautiful. Actually it strains the back, stains the fingers and puts an apparently permanent crick in the neck. If you are not quite at home on a stepladder it may even be dangerous, and when an ill-managed move from a lower to a higher limb in your tree-climbing activities knocks your nearly full basket over, spilling four million cherries in the deepest grass, it even puts a heavy strain on the temper. But it is beautiful.

You look up at a cornflower blue sky through a maze of glossy green leaves hung with cabachon rubies. The sunlight shines through each cherry and makes it glow as Malory describes the Grail doing for Galahad, or as good stage management at Covent Garden makes it gleam in Parsifal. To pick seven cherries on one bunch seems a worth-while life ambition. To prevent the greedy robins getting another bite seems worth working like a demon. The country wind blows and shakes the branches and offers you a momentary glimpse of incredible cherries just beyond your reach. In momentary panic you see that someone has taken the ladder. You may be left in the top of a cherry tree for the rest of your life.

Well, there are less beautiful places.

IT IS ALL very well for accredited critics to comment or dispraise certain cinematic entertainments to their readers, but it is pure folly for a private individual to say to an acquaintance "Do see so and so in 'Such and Such' . . . you'll love it."

In the first place, it is quite possible they will not love it at all, perhaps not even like it, so variable are the moods in which we go to the movies and so different our ideas of entertainment. Secondly, you will have to discuss the whole thing all over again when they have taken your advice.

In spite of which here we come in our reckless way heartily recommending to you "Call it a Day," a picture that has not yet made the bigger movie houses, but at least in Toronto) presumably because its cast of superb actors and actresses are not names well-known in every kitchen in the land.

"Call it a Day"—a play by Dodie Smith—ran for a year in London and then a year in New York where Gladys Cooper, Philip Merivale and Miss Cooper's son John Blackmaster headed the cast. (It's that kind of play—like, and successful.) The movie version was made in Hollywood with a predominately English cast who are so well suited to their parts it is hard to think, after seeing it, of any of them in any other roles. The plot is the effect of the first glorious day of spring on a pleasant well-to-do family.

Mother, Father, 13 children, 30th about 19, daughters 17 and 12.

Frída, however, plays the Mother who suddenly has Rembrandt laid on her doorstep after twenty years of placid married life. Watch her look bewildered, intrigued, and almost enchanted. Everything from her lips to her hips are quite perfect for the part. She is a well-known London actress, dark and lovely, with a beautiful voice, and how Hollywood could have cast her for a villainess in her first picture in America and so neatly obscured her former in the screen, is just one of those things.

Jan Hurrell is the business man—Father—who is attacked by the actress Vamp and escapes a little less than successful. You saw him in Midsummer Night's Dream if you can recall that best show. He too is London stage material, he played in "Make Way for a Lady" and "Touchwood"—another Dodie Smith play in London. He looks so like your husband in his pyjamas you will be quite startled.

Peggy Wykes, blond and beautiful, plays the male end of the young romance with The Girl Next Door (Anita

Louise). You may remember him as a friend of the unfortunate Frank Vosper who disappeared out a porthole or possibly down the drain at "Miss England's" party on board an Atlantic liner some months ago. Vosper and Willes were both going home to England together.

Bonita Granville, that remarkable youngster who played the quite loathsome little girl in "These Three" is the little daughter here. She says her prayers under Shelley's portrait "because it's the holiest part of the room." "Are you familiar with the works of Dante Gabriel Rossetti, Mr. Spender?" is her way of going to town with her sister's beau, and very endearing indeed.

Roland Young has a rôle completely suited to his somewhat bewildered charm in that of the rubber planter home on leave from India who wrecks his sister's plans (Alice Brady's) for him, by falling in love with the children's mother. And finally, Olivia de Havilland as the elder daughter has a part that any young actress would eat up, but few could handle as well as she, or look so enchanting doing it.

The lines are crisp and full of fun, the pace rapid, the sets smart, and the minor characters as carefully worked out and played as the leads. You simply can't ask more than that for a summer night's entertainment. Try and see "Call it a Day."

LATE on a recent hot night a friend of ours made his way upstairs to his bachelor flat in a large apartment building. Doors of more than one flat were open to give the occupants any benefit that might be attained from a cross draft of the humid air. As he swung around the third landing past one of these our friend heard a high and indifferent treble pipe put a sentence that bothered him whenever he recalled it for days afterward. "Maw," it said mildly, "Lloyd's got visions again."

WE WONDER why "Something of Myself," Rudyard Kipling's posthumously printed autobiography, has had such a bad press. For it certainly hasn't had a good one. No critic we have come across seems to think it half the book it seems to us. Well, there you are. Some readers' books are other readers' poison.

If you like any of Kipling's work, but especially if you enjoy it all, and agree with some of the famous critics that his "Man Who Would Be King" pairs with "The Sign of the Cross" by R. L. S. as one of the two best short stories of modern times, you will certainly be grateful for "Something of Myself."

Of his life in Bombay where he was born, Kipling says winningly: "When my sister finally came out not only were we happy but we knew it."

How few people have that sort of immediate appreciation of happiness. Like Alice in Wonderland's Red Queen's pain—it is so often happiness yesterday and happiness tomorrow, but never happiness today. Happiness is not an inventory but a state of mind, someone has said. And too few of us know our own state of mind.

Thousands of casually proffered bits of information are scattered engagingly through the book. We thought it interesting to learn that "The Light That Failed" owed its title to *Monium*, seen in France, and that Kipling always felt the novel was a better book in its French translation than in the original English.

And regard this (on page 94) where he speaks of planning a journey through Tios, Cook & Sons. "The Great J.M." himself—the man with the iron mouth and domed brow—had been one of my Father's guests at Lahore when he was trying to induce the Indian Government to let him take over the annual pilgrimage to Mecca as a commercial proposition.

The italics are ours. Who, we ask expecting no answer, but Tios Cook's incredible travel business industry would ever have considered organizing the Mohammedan's ultimate act of faith into a commercial proposition with profits in faith and a Paradise future running neck and neck with cash profits to its banker?



"BIRTHDAY." Honorable Mention Photograph, by A. H. Lang, 155 Earl Street, Kitchener, Ont. Foth Flex camera, two photofloods and one reflector, 1/25 sec. at F4.5, Selo Fine Grain Pan film.

DARTINGTON HALL

BY J. A. STEVENSON

OF THE varied assortment of social and economic experiments which are in progress in Britain, none is so unique in character and so interesting as the experiment at Dartington Hall in Devonshire. It is the indirect fruit of the happy and romantic marriage of a pair of idealists, Mr. and Mrs. Leonard K. Elmhirst, who had very different backgrounds and upbringings. Mrs. Elmhirst was born Dorothy Whitney, daughter of W. C. Whitney, who, besides marrying the daughter of Col. Payne, a Standard Oil magnate, accumulated a large fortune in American street railways and other enterprises and served as Secretary of the Navy in the Cabinet of Grover Cleveland. In her early youth she married the late Willard Straight, who was a partner in the firm of J. P. Morgan and Co., but his untimely death during the Peace Conference at Paris in 1919 left her a widow with some young children, and bereft the United States of a man of singular abilities and attractiveness. Interested in all progressive causes, he and his wife had provided the financial backing for the "New Republic," the well-known liberal weekly, and had also subsidized the publication of the review called "Asia."

So Mrs. Straight, one of the wealthiest women in the United States, was an ardent progressive and reformer, when a determination to erect a building on the lines of Hart House as a memorial to her husband at his old University, Cornell, took her by a happy chance to that seat of learning. There she met Mr. Leonard Elmhirst, who was a student at the School of Agriculture in the University, and the acquaintance gradually ripened into mutual affection and marriage. Mr. Elmhirst is sprung of a very ancient family of landed gentry in Yorkshire, England, who have held their present estate for centuries, and he had received the typical education of his class at one of the great British public schools and Cambridge. During the early stages of the Great War he served creditably as an officer in a British regiment in Mesopotamia until he was invalided to India. Meanwhile his experiences of the horrors of the Mesopotamian campaign had developed in him pacifist tendencies and he irritated the British authorities in India by becoming an active associate of the Indian poet and philosopher, Rabindranath Tagore, who was opposing India's participation in the war.

NOW about the time that Elmhirst met Tagore the latter had just started to transform a small ancestral estate in Bengal, which had been virtually a patch of desert, into a settlement and community unique of its kind in India, and Elmhirst helped him in the task. Today this settlement contains a series of educational buildings where the disciples of Tagore and the children of the settlement receive instruction, and, situated in the heart of an almost barren territory, it is an oasis of well-cultivated fields in which vegetables and fruits of all kinds are reared and flowers bloom in abundance; there is also in operation a sugar mill and a number of rural industries. Freed from any anxiety about their daily bread, the inhabitants of this settlement are reported to be all happy and contented with their lot and to be inspired by a common emotion of affectionate respect for their revered master.

Leonard Elmhirst was both by inheritance and predilection a lover of the land, and he had long bewailed the decay of British agriculture and rural life and the predominance of an unlovely industrialism in his native country. So when he determined to embark upon some experiment for the regeneration of British rural life, he found his American wife completely sympathetic to his aspirations and perfectly agreeable to migrate to England. The Tagore settlement, which Elmhirst had helped to create, had inspired him with the idea of building up a similar self-supporting rural community in Britain, and in 1925 he and his wife came to England in search of a

suitable estate as a base of operations for their adventure.

Eventually the Elmhirsts, who had a wide range of choice as scores of landowners wanted to sell their estates, fixed upon Dartington Hall, an estate of great natural beauty near the town of Totnes in Devonshire. It had been mentioned in history as far back as 833 and the 500 odd acres which went with the Hall had for over a thousand years been a compact undivided property. But although potentially fertile, it had, owing to its late proprietor's lack of funds, been allowed to fall into a state of dilapidation. However, the mild climate, the natural richness of the soil and its variety, the proximity of the River Dart and a railway and the intersection of the property by first-class roads seemed to offer a combination of conditions suitable for an experiment in rural reconstruction.

Mr. and Mrs. Elmhirst were convinced that, if the countryside was once more to attract and retain a prosperous and contented population, it must offer people many of the attractions and advantages of urban communities. There must be a standard of fair wages, opportunities for personal advancement, and chances of education in its broadest sense by the clash of ideas with men and women engaged in a variety of occupations. Furthermore, they felt certain that if rural pursuits were to gain popularity, they must be made to pay and thereby attract capital. They proposed to demonstrate to existing landowners how an estate developed on new lines in conformity with modern conditions and ideas could be made an economic enterprise, and that such an estate could be as good a commercial investment as the manufacture of cotton goods, automobiles or whisky.

AFTER the estate had been purchased the work of preliminary preparation for the experiment occupied the greater part of two years. A personnel for the managing staff had to be recruited and the services of experts like the estate chemist and the farm economist, who are two of the important keymen in the establishment, had to be enlisted. For the financing of the enterprise there was established a Trust which will ensure a continuity for it, and then the organization of the different activities was planned through the creation of a series of departments, for some of which separate subordinate companies were formed.

The original estate has been enlarged until it is now 1,250 acres in area, and in addition about 1,200 acres of woodland within a radius of 25 miles have been acquired to provide adequate supplies of timber for the sawmills now being operated. There are two main farms primarily devoted to milk production. One of them is in charge of a Devonian farmer, born and bred, and the other is under the direction of a Danish dairy expert who planned a layout of farm buildings adapted to local conditions from the best Danish models. Milking is done by electric power and the latest types of sterilizing and bottling plants have been installed. The dairying operations have been successful from the start; many more cattle are kept on these farms than ever before, and their milk output (for which, being of the highest grade, there is a ready market), has been quadrupled.

Fifteen acres are given over to an intensive commercial poultry farm and the elder apple orchards, which previously existed but had fallen into sad decay, have been restored to good bearing conditions and enlarged by new planting. As a result a large quantity of first-rate cider is made in a special plant, two separate kinds styled "Hall Mark" and "Devon Valley" being sold to customers. In addition there is a large yield of dessert and cooking apples, plums and small fruits from the orchards. Equally profitable are the extensive gardens in which flowers of all kinds, herbaceous plants and ornamental shrubs are grown and available for sale.

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the extraneous acquisition cover over 1,800 acres, and it manages them on strictly scientific principles under a program which will require thirty years to complete. There have been established nurseries of forest trees and hedge plants in which 500,000 plants are grown every year; of these 100,000 are absorbed by the estate. Then there are also operated by this department sawmills of the most modern type, which in addition to turning out all the lumber needed on the estate, market graded timber in a scientifically seasoned condition and now number among their customers the British War Office and Admiralty, various railway companies and leading furniture manufacturers.

WHEN the construction work necessary for the provision of adequate buildings for the estate was finished the workers were not dismissed, and there was formed a subordinate corporation called Staverton Builders, Ltd., which now carries on a building and contracting business over a wide area. Under it there is operated another company, the Devon Electric and General Services Ltd., which undertakes all kinds of electric work and supplies electric equipment of all kinds. Furthermore to provide more work for these organizations the Trust has acquired four properties, two at the watering place of Paignton, one at Exeter and one at Dettisham, and has embarked upon an ambitious program of real estate development, in which the most modern town-planning methods are followed.

There is also operated on the estate a woollen mill in which all the processes for transforming raw wool into finished cloth are carried out. It uses wool produced on the main estate and on two sheep farms rented at Dartmoor, and it has a varied range of output which includes ladies' dress goods, men's tweeds, blankets, curtains, rugs, carpets, weaving and knitting yarns. Nearby the mill is a handcraft factory where other workers make good solid country furniture, garden tools and other useful things and a pottery which is turning out creditable pottery for domestic use.

THE sponsors of Dartington Hall, imbued with the conviction that people working in the country should have available educational facilities comparable to those provided for town-folk, have established both an elementary and a secondary school, each run on co-educational lines. The former caters chiefly to the children of employees on the estate, but the latter which has 100

boarders is attracting as pupils the children of people living beyond the immediate vicinity who want a modern progressive education for their children. Educational opportunities are also provided for adult workers employed on the estate through evening classes and study groups, and through a Department of Arts generous encouragement is given to music, the drama, dancing and designing work, which the Trustees believe offer bases for both healthy recreation and cultural education.

It is probably premature to essay any appraisal of the results of this interesting adventure at Dartington Hall because the time limit of ten years which was set for the full evolution of the program laid out will not be reached for nearly two more years. However, its sponsors profess to be well satisfied with the fruits of their enterprise up to date; they claim that they can show several lines of activity already on a paying basis and others well on the road to this objective. They have to meet the criticism that an experiment such as this, when backed by the vast fortune of Mrs. Elmhirst, has a chance of success which would not be available to ventures lacking such financial resources, and that it would be difficult for the average run-down estate in Britain to attract much capital for its rehabilitation. But to this the answer is made that under skillful management on modern lines good returns can be secured from capital invested in rural reconstruction and that if private interests will not furnish such capital, the state should, in order to save rural civilization in Britain from further decay.

In certain circles in Devonshire Dartington Hall and its owners are far from popular. Local dairymen and makers of cider, for example, claim that they are being faced with unfair competition and builders make the same complaint. But on the social side the success of Dartington Hall is unchallengeable. On a rural area within whose bounds some 40 people formerly won a bare livelihood and led dull, drab lives, there are now living happily and comfortably some 850 people, who have enormously increased the annual volume of products raised on this tract of land. Not only are they assured of ample food and good housing, but they are knit together in a harmonious community firmly permeated with the co-operative spirit, and they have available both stimuli for material advancement and intellectual self-improvement and opportunities for recreation and cultural amenities, such as are rarely within the reach of British rural within the reach of rural folk.



THE WINTER ROAD, by Allen Fraser, 107 Henry Street, Halifax. The photograph was taken near the Yacht Squadron, Point Pleasant Park, Halifax.

FIVE CENTS FOR HEALTH

BY DALTON J. LITTLE

BUDGETING for the conservation of health, and for the treatment of future physical disabilities is now possible for every citizen of Ontario who is willing to segregate five cents a day from the rest of his loose change.

Associated Medical Services Incorporated, a body of medical and non-medical persons, was recently granted an Ontario charter to provide a pre-paid medical service at cost to subscribers, and to operate as a non-profit making organization.

The pioneering spirit which brought resourceful and intrepid adventurers from the British Isles and various parts of Europe a hundred years ago, or more, is frequently exemplified among the descendants of those early Canadians. The organizers of Associated Medical Services, and particularly the director, Dr. J. A. Hannah, have charted an absolutely new course in evolving a plan of socialized health-service which overcomes the objections of doctors and patients to state medicine.

The A.M.S. offers assured medical care, including hospitalization, nursing services and specialists when required, on a self-respecting basis to the average man. The doctor receives the same schedule of fees as authorized by the Ontario Medical Association, and has the satisfaction of knowing that his patient has paid for the service given at the rate of ten thousand persons or more spread over the years. There is no charity about it, and state paternalism with its inevitable manifestations of bureaucracy is magnificently absent!

UNFORTUNATELY this plan, which has been described as an "assured medical care at averaged cost with choice of physician and accounts promptly paid," is unavailable to people who have not the money to pay for it. During periods of economic depression it would become non-operative for a large proportion of the community. Obviously the unemployed with no financial resources would be unable to subscribe, or if they had been subscribers would forfeit their right to further medical care, regardless of the total amount of their previous subscriptions. Nevertheless, the same hazards of loss apply to all forms of insurance contracts on which the insured pays annual or more frequent periodic premiums.

The monthly subscriptions payable to A.M.S. are waived however, during any period of illness which occasions loss of income, within the limits of the benefit. The maximum payable by A.M.S. on any one contract is \$800 within one calendar year. Yet in cases where major operations, or other expensive forms of treatment, were not required the subscriber would receive all medical care needed for a comparatively long time, and would be relieved of his monthly fees during the entire period, if concurrently deprived of income thereby.

THE Civil Service Association of Ontario and prominent citizens, both medical and non-medical, of the counties of Oxford and Norfolk were responsible for bringing the A.M.S. into being. Both the Civil Service and the Ontario Medical Association have contributed to the preliminary financing, and the Ontario Department of Health has loaned the services of Dr. Hannah, of the pathological branch of the department, to direct the A.M.S. Corporation. Offices have been donated by the Ontario Government at 11 Queen's Park, Toronto.

The directors, in addition to Dr. Hannah, are Dr. W. S. Cauldwell and Mr. E. G. Beardsall of Toronto; and Dr. A. B. Jackson and Mr. H. M. Jackson of Simcoe, Ont.

Membership in the Corporation is open to reputable citizens who would give practical assistance, rather than being confined to persons making substantial donations of money.

Participating physicians are medical men in practice who signify their willingness to treat subscribers, and to abide by the regulations of A.M.S., and the decisions of its board of directors. More than 200 doctors have made application to date, although the Corporation has only been functioning since June 10.

Scores of citizens of Toronto and the counties of Oxford and Norfolk, where the plan is first being put into operation, have made application to become subscribers.

A number of employers have conferred with the Director of A.M.S. One firm in Oxford County has subscribed to the plan, and has made its first payment on the basis of fifty percent of the employees' cost.

APPlicants for coverage must be under sixty-five years of age, but may continue to pay monthly fees and receive full benefit for as long a time after attaining this age as they have been subscribers previously. Thus a subscriber joining at fifty would receive benefit until eighty years old.

Benefits to subscribers, to the maximum cost of \$800 each within one calendar year, include services of a participating physician in home, office, or hospital, including consultations; surgical procedures within the scope of a competent surgeon; semi-private accommodation, or a sum not to exceed \$3.50 per day toward the cost of hospitalization in an approved hospital; all necessary nursing; childbirth in cases where the subscriber has paid dues for ten consecutive months previous to confinement.

There is a two months' waiting or probationary period, and the subscriber must pay three months' subscription before becoming entitled to any service.

Physical conditions not covered include institutionalized mental illness, epilepsy, chronic tuberculosis, in-

juries due to industrial accidents (which come under the Workmen's Compensation Board), or any disability present at time of joining. Surgical treatment of any condition not detrimental to bodily health or function is not included among the benefits.

Applications are accepted without medical examination of the would-be subscriber, unless a condition is revealed which necessitates an examination.

If a third party is responsible for the disability requiring treatment, A.M.S. reserves the right to collect from the person who caused the injury. If an action is not brought by the subscriber against the third party to force collection, A.M.S. may do so.

THE monthly fees of subscribers have been fixed at rates which may reasonably be expected to take care of all contingencies arising in the administration of services, and if in practice it is found feasible to lower the rates, probably after a number of years have elapsed, the "service at cost" will be adjusted accordingly. While the provisions of the provincial charter under which A.M.S. operates forbid the payments of dividends or profits to anyone, it is competent for the Corporation to set up cash reserves for emergencies, such as for epidemics of disease, or catastrophes, causing an abnormal drain on A.M.S. funds.

The scale of fees has been determined on average experiences by units of service in the medical care of individuals as such, and of families in Canada, the United States and other countries. As a result of the thorough investigation made, the total actual cost under this plan in Ontario has been estimated at \$24 per year per subscriber, or for each head of a household. Lesser amounts have been set for dependents as follows: First dependent, \$1.75 per month; second child or dependent, \$1.50; third, \$1.25; and for subsequent dependents at \$1.00 each.

UNDER this scale of fees a family of four pays \$6.50 per month, or about five cents per day for each individual in the family. For a family of eight the charge is \$10.50 per month, the probable price of many a family's smokes at thirty-five cents a day, or at the rate of slightly over four cents per head.

Each subscriber in a group of ten thousand or more is simply paying for the average risk of carrying the individual along through the years with assured medical care. As already stated, the Ontario citizen is merely enabled to budget his medical service cost the same as he makes provision for the food and shelter, coal and other necessities of life which he and his family require.

Sickness comes sooner or later to all families, and too often the savings of a lifetime are wiped out by a single illness. Under the A.M.S. plan all hospital bills and doctor bills are paid promptly to the doctor, nurse or hospital of the subscriber's own choice.

The ten thousand group to which reference has been made, is based on a survey made in various parts of the United States among ten thousand white families for one year's medical attention. This survey showed that 58% of the families pay 18% of the charges. In this group the year's medical costs amount to less than \$60 per family. Among the ten thousand families 32% pay 41% of charges at from \$60 to \$250 per year; and 10% of them pay 41% of the charges; 25% pay 41% and 5% pay 52% of the charges per year.

WE ARE told statistics prove that only seventy-five percent of all doctor bills are ever paid. This means that in the poorer districts



POLITICS GETS HOT IN INDIA. Sweeping victories for many candidates of the All-India Congress Party marked the recent elections which stirred up intense interest throughout the whole country. Here is Mrs. Sarojini Naidu, internationally-known women's leader in the Congress Party, in a characteristic speaking attitude at a pre-election meeting.

and during times when disease is rampant many doctors collect only a small part of the fees to which they are entitled.

It is of vital concern to the community, to industry, and to life insurance companies that medical services are adequately maintained by fair remuneration made certain for the services rendered at all times, regardless of economic conditions of the moment, or the degree of illness prevalent at any particular time. Two insurance companies are now considering the plan for their own employees.

The health of the nation is of first importance, and it is universally recognized by all thoughtful persons that only in so far as proper health standards are present in the community can any real progress be made in the social and economic life of the people.

Prepaid medical care should be just as readily sold as life insurance, accident insurance or fire insurance.

Since the Ontario Government has given its blessing to this venture into the realm of socialized health service, it would not seem beyond the bounds of probability that encouragement will be given to the average citizen who is faced with the uncertainties of employment, and the insecurity inherent in our present social and economic set-up. The most reassuring condition which government can give to the thrifty citizen who budgets not only for his immediate living expenses, but also for his life insurance, and his family's medical care, is the guarantee of unemployment insurance. When the much mooted unemployment insurance for all workers in industry throughout Canada has been provided by legislative enactment, it would seem to the writer that the A.M.S. plan will appeal to every gainfully employed person in Ontario, and that similar co-operative health services at cost will be organized in other parts of the country.

POLITICALLY SPEAKING

BY LADY WILLISON

ARE men interested in what women think about politics? It is to be doubted. Are women? As to this question, who can say? It may be possible to reach a conclusion.

How does one go about trying to analyze the political opinions of women in Canada? First, as far as possible, turn your mind into a receiving set and call down impressions from the ether. Women's important convictions are generally unspoken; silence, the ladies feel, is safest. In addition, the present scribe risks a reputation for not being modern enough to understand life. But what's the use of experience if one can't risk something? Come, experience, what do we find? Better to begin with an easy first step.

Political bodies known as women's

auxiliaries have been bestowing the high sign, double cross and allied manifestations on women in some parts of Canada for a number of years. The result, as expected, has proved that women's auxiliaries belong to the same species of political organization as associations managed by men. Possibly ladies expected to have independent organization, direct communication with a central executive, equal voting powers and so on. If so, they were disappointed. Certainly, they have won some representation. When an election is impending, women's auxiliaries are expected to canvass for votes, and do canvass effectively.

SO WHAT? Is it to be regretted that women's political activities are not unlike what the world has seen for generations? Probably not. Everyone must learn in one way or another, if we learn at all. Now we come to information obtained more exclusively by wireless—hypothetical, confidential and inferential, but mainly correct.


Women like to vote and do so in reasonable numbers. Should the correctness of this statement be doubted, let the inquirer station himself near a polling booth on election day. Who are these approaching? A chief justice and his wife, a corner grocer, showing the effect of marked prosperity in his manly port and his wife, and a family of three, father, mother and daughter. All these voters have a look of marital happiness, except the daughter who has an appearance of meaning to be married before long. It is a look of holiday weather, a going to church look, the kind of look which says that voting should be considered a pleasurable duty. In Quebec, ladies do not vote as yet; it is safe to say that women in other parts of Canada would like to see feminine Quebec with the vote, but would not dream of interfering even so far as to express an opinion.

WITHOUT further ado, what are these more important convictions of women, politically speaking? First, family unity; nothing shall be allowed to disturb the on the whole successful and happy relations between the sexes that exist in Canada. No tumult. No shouting. No discussion, even for the purpose of obtaining temporary political advantage.

Second, Canadian unity, English with French, French with English, Province with Province, loyalty from all the Provinces to Ottawa.

Third, women would like to see additional women members in the House of Commons and the legislatures.

Are women loyal to women? They do not always vote for women candidates if such voting means loyalty. Nevertheless, a formidable majority of, shall we say, well-informed wo-



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by

Elizabeth Arden

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Elizabeth Arden

TORONTO NEW YORK Toronto Salon and
LONDON PARIS Consultation Room *Simpsons*

men considers it rather a sore point that eminently suitable women candidates do not receive, even occasionally, the endorsement of party conventions.

Is there an instance in Canada of a woman changing her political affiliations except for the reason that she has married a man who happens to belong to the other side? Such an incident seems unlikely. Yet one imagines that a certain ardent type of woman crusader politically, would become, from conviction, socialist, communist, anarchist, or even C.C.F., at a moment's notice.

Fourth, women believe in the proper administration of liquor control and relief, in pensions for widows with children and for the blind. A conviction is growing amongst housekeepers—why not?—especially in the country, where thoughtful women seem to be produced automatically, that national finances need overhauling.

IF WOMEN, are asked, by and large, whether they care about politics, many of them will answer no; but if asked whether they agree with the four points named, most of them will answer yes, adding that such simple commonsense statements are not politics. Are they not indeed? In addition, many women cherish inherited family convictions of a passionate character as to which party one votes for on polling day.

Is the politically minded woman more interesting, possibly more amusing, than the woman who doesn't know what she thinks? One believes that probably she is.

Women are becoming more diligent readers of daily newspapers. For any special reason? Yes. So that they may vote intelligently, and ultimately exercise greater influence politically. A growing tendency? Certainly it is. The woman interested in politics, so to speak, is on her toes.

Why should provincialism be a term of reproach? That true friend the dictionary says a person of narrow views is provincial. Recently, I read a more illuminating definition: to be provincial is to place undue importance on one's immediate surroundings. The woman of political leanings reads newspapers and weeklies from other countries and other

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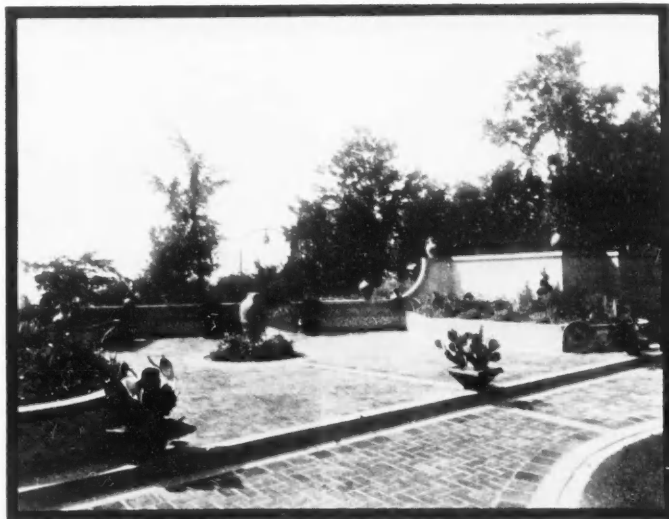
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KA-NIE-KAN-O-TEAI (Leader of Men), was the tide conferred upon Premier W. J. Patterson of Saskatchewan by the File Hill Indians when they made him a chief of the tribe on Dominion Day. The Premier, in his new ceremonial head dress and robe, is listening to an address being read on behalf of the tribe by Florence Pinay, Lebert high school girl.



THE EASTERN GARDEN AT "ARMAYOIR," residence of Mr. and Mrs. Levon Babayan, Highland Crescent, York Mills, open on Friday, July 30, under the National Garden Scheme.



Joan Abbott
says...

Short cuts, with satisfactory and appetizing results, are a wonderful boon to every housewife.

Take, for instance, the use of soup as sauce. Vegetables, chicken, meat, fish and leftovers can be improved or dressed up with a tin of AYLMER Tomato Soup, Cream of Mushroom Soup or Cream of Oyster Soup to suit the occasion. And what's more, you can always have these sauces at your fingertips, or at least on your pantry shelf, ready for instant use.

One special of which our friends approve is AYLMER Asparagus Tips with Mushroom Sauce on toast. Before heating Asparagus, puncture tin at end which is to be opened (indicated on tin), place tin in hot water, which should not quite reach to top, and heat slowly. Remove from tin and drain. Meanwhile, heat the AYLMER Cream of Mushroom Soup in a double boiler. (If a heavier sauce is preferred thicken the soup, adding a paste of flour and cold water as desired, while stirring constantly.)

Arrange the Asparagus on hot buttered squares of toast. Pour over Mushroom Soup. Serve for luncheon, supper, Sunday tea or after-dinner snack. It's good!

Do not destroy the Asparagus liquid. For other ways of using AYLMER Soup as sauce write Joan Abbott, Dietitian, Canadian Canners Ltd., Research Laboratory, Hamilton, Ont.



HE FOUND ALL-BRAN BROUGHT REGULAR DAILY ELIMINATION

Get rid of half-sick days—with the headaches, the listlessness, the "always tired feeling." Frequently, they come from common constipation... due to "backlog" in the bowels.

All you have to do is eat a delicious cereal regularly. "Every morning, for years, I have had a good helping of **ALL-BRAN**, and it means regular daily elimination," says Mr. E. N. King (address on request).

Kellogg's **ALL-BRAN** is so much better than dragging yourself with patent medicines.

Within the body, **ALL-BRAN** absorbs twice its weight in water, forms a soft mass, gently cleanses the system.

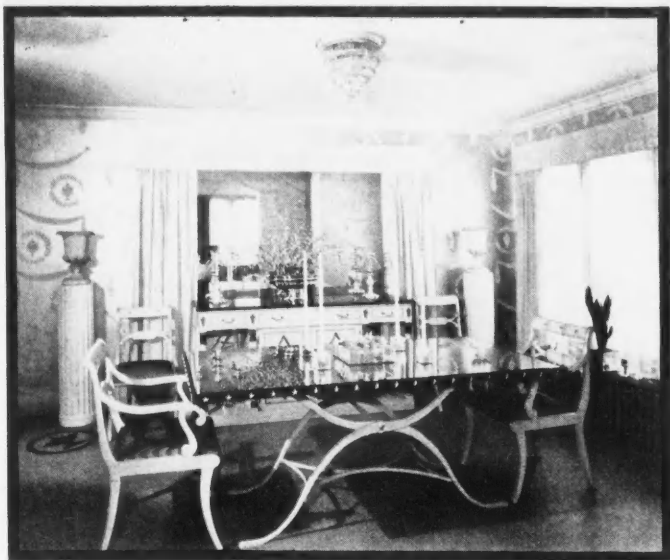
Eat two tablespoonfuls daily, either as a cereal with milk or cream or in pieces. Three times daily in severe cases. Sold by all grocers. Made and patented by Kellogg in London.



Home paring methods make corns come back bigger, uglier, more painful than ever. Don't take that chance. Use the Blue-Jay method that removes corns completely by lifting out the corn root and All in 3 short days (exceptionally stubborn cases may require a second application). Easy to use. Blue-Jay is a modern, scientific corn plaster. Try this Blue-Jay method now.

BLUE-JAY
SCIENTIFIC CORN PLASTERS

A plug of dead cells root-like in form and position. If left may serve as focal point for renewed development.



PREDOMINANTLY EMPIRE but with a contemporary dash, this dining-room achieves a harmonious blending of dignity and informality. The wallpaper is an especially happy example of the room's period influence with its spaced design of swags, laurel wreaths and Grecian urns. Note, too, how the treatment of the window has been repeated at the sideboard.

—Photograph courtesy of Katherine Pinell.

ABOUT THE HOUSE

BY BERNICE COFFEY

CUT glass is not on its way back into favor. It has arrived, oh, but definitely, and is doing very nicely thank you. The sparkle of its many facets meets the eye in the smartest shops, and it is to be seen in the more-familiar forms of candlesticks, with crystal drops, lighting fixtures, drinking glasses, bowls for fruit or flowers or salad. We knew beyond doubt the cycle had been completed when we saw a cheese dish complete with sloping cover. Do you remember the days before cream cheese? When every family had one of these shaped to fit the segments of the round great round cheeses as they used to come from the old-fashioned cheese? A set of hand-painted cocktail glasses has the lower part of the bowl in a cut design which runs up into rim of plain colored glass in such attractive colors as green, dark blue, smoky purple, ruby red. If you have been regarding the cut glass tucked away in the back of your china closet as a liability, now is as good a time as any to try it out and display it proudly.

WE'RE STILL are naive enough to get a thrill out of opening the yellow envelope of a telegram, even though its message is from Aunt Edith, and says she will arrive Thursday and for goodness' sake meet her at the Union Station at 6:30 a.m. Our Aunt Edith is as keen about sending the most inconsequential letters via air mail as she is about telegrams. We thought of her when we discovered one now can buy stationery specially designed for air mail. The paper is as lightweight as tissue but with a surface that takes ink beautifully and is in that meek shade of gray seen so often in the envelope flaps of letters arriving from England. The sheets are large and six of them plus the envelope will light enough to go under the half ounce air rate. It comes complete with stickers, marked "Air Mail," on the envelope.

AND if you are tired of running your little pink tongue over on yellow flaps, why some smart manufacturers boost flavor the murelase with white-green or peppermint is beyond us. Because the little sponge on your desk is either too wet or too dry, a new gadget may fill the bill. A hollow handle of some transparent colored plastic material is glued with water, before a hard rubber ring to which is attached a piece of sponge rubber, is inserted. The sponge remains consistently damp and it is as easy as saying "Greta Garbo" to run it over the murelase. And it only costs two bits.

Also in the dollar class at Bicks-Ellis-Ryrie are rings of plain circular glass to hold short-stemmed flowers. They do look nice as table decorations and since they come in two sizes we know of no good reason why a smaller ring may not be placed inside the larger to make a double-ring ceremony of the flowers.

THERE'S an honest, rustic feeling about wood to which we fall a victim every time. And there are few serious devotees of salads-made-at-the-table who do not treat with less than contempt bowls made of materials other than wood. We are quite sure any of these would have fallen quite violently in love with a wooden salad set painted in green against which the bowl's inner lining of natural wood makes a stunning contrast. With the large bowl and wooden fork and spoon is an equally large oblong tray with depressions at either end into which fit three large shakers and two bottles for oil and vinegar. The latter are flagon shape and have their necks bound with copper. Come to think of it they remind us of those long-necked women from Gnom, or somewhere, whose necks are stretched out with copper rings.

DO YOU intend perpetuating next season some of the plants that have been the stars of your garden scheme this summer? Seed production is an exhaustive process to most plants, and the wise gardener sees to it that no seedpods are permitted to develop on his choice hardy plants. Gardeners who wish to increase some of these by seed will do well to select just a few seedpods for this purpose, removing all others to save the strength of the plant. This method also insures the remaining pods filling out well with good seeds.

Proper pruning of all hedges is an important summer task. Once the new growth has gained considerable length, shearing back leaves a saddened appearance until new side shoots have developed. The more often such quick growers as privet are clipped the denser the growth they will make.

WINNIPEG SOCIETY

WEEK END parties with the odd informal dinner at the Country Club on the hot evenings, a small cocktail party, a picnic in some cool spot along the river, these are the chief amusements of those in town for the summer. Mrs. C. G. Caruthers has a number of guests this week-end, among whom are her

cousin, Miss Eleanor Hovey, of Los Angeles, Mrs. G. F. C. Poussette, and Mr. C. S. Gunn, and Mrs. C. V. Alloway is the guest of Mr. and Mrs. E. W. Kneeland at their Island home and Miss Nancy Riley has been visiting her friends, Miss Louise Phillips and Miss Agnes Richardson, on Coney Island, but came up to town to meet an expected guest, Miss Alisa Mathewson, of Montreal, who arrives shortly to spend some time at her parents' summer home at Springfield, where Mr. and Mrs. Riley are now in residence.

Mr. and Mrs. Charles Huntington are week-ending at the Lake of the Woods, the guests of Mr. and Mrs. William A. Smith.

Mr. and Mrs. G. Montagu Black and Mr. and Mrs. George Black have been spending a week at Minaki Lodge, Minaki. Mr. and Mrs. Robert S. Bawlf, of Calgary, are in town for a few days en route to Minneapolis. Mrs. W. R. Bawlf entertained at a jolly little dinner for them at the Country Club the other evening.

Miss Margaret Morse has returned from a holiday spent at Kenora when she was the guest of Mr. and Mrs. Douglas Clark. Capt. and Mrs. V. A. Vokes were week-end guests at Mr. and Mrs. Edward Nanton's summer home at Keewatin. Miss Charlotte Counsell was the guest of honor at the Motor Country Club the other day, at a luncheon given by Mrs. Cherry Bleeks. She has since left for Victoria to visit her grandfather, Mr. A. C. Campbell, and will spend a few days in Winnipeg later on before leaving for South America.

Hon. C. P. and Mrs. Fullerton, of Toronto, have taken a cottage at Sandy Hook, Lake Winnipeg, for the remainder of the season.

Mrs. W. K. C. Fisher entertained a group at dinner at the Country Club one evening this week in honor of Mr. Justice and Mrs. A. I. Fisher of Vancouver.

Mrs. Douglas Horne is holidaying at the Pacific Coast and her daughter, Miss Nancy Horne, is enjoying the cool lake breezes at Minaki Lodge.

Mr. Alvin Godfrey has announced the engagement of his daughter, Miss Jessamine Godfrey, to Mr. Thomas Jeffares Porte, of Chicago, son of Mrs. T. J. Porte and the late Mr. Porte. The wedding has been arranged for August 21 in St. George's Church, Winnipeg.

IN BOSTON TOWN

A NOVEL folder headed "Boston is a browsing town" has just been completed and is offered for distribution to travelers to New England by the Sherrard Hotels, Parker House, Hotel Bellevue and The Somerset. In addition to a description of all the principal historical points in Boston and a listing of the location of all important public buildings and museums, the folder devotes the entire inside pages to one of the finest street maps of Boston ever produced. All incoming traffic routes are plainly shown in color and all points of interest plainly indicated in their correct locations. Beautifully printed in five colors on strong durable paper, the folders have already achieved great popularity and requests have been received for them from individuals, tourist agencies and hotels throughout the country. Motorists from New England and other sections of the country will find these folders invaluable, not only in facilitating their easy access to Boston, but in the wealth of information they contain.

TRAVELERS

Colonel and Mrs. H. Willis O'Connor are leaving Ottawa in August for Biddeford Pool, Maine.

Mrs. Evan Gill and her children, who have been spending a month at St. Andrews-by-the-Sea, have returned to Montreal.

The Right Hon. R. B. Bennett and his sister, Mrs. W. D. Herridge, who went to London to attend the Coronation and have since been traveling in Europe, have returned to Canada. Mr. and Mrs. John H. Chipman have left Toronto for their summer house at Lake Simcoe.

Mrs. Irving Robertson has returned from England and is at her house at Lake Simcoe.

Dr. and Mrs. Fletcher Sharp, of Toronto, have been spending a short time at the Seignior Club in the Province of Quebec.

Mrs. R. C. Clifford and Mrs. Harold Hanson, of Winnipeg, are the



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This odorless powder is made scientifically for toilets. Just sprinkle a little in the bowl. (Follow directions on the can.) Then flush, and the job is done. Stains and spots vanish. The porcelain glistens. Odors go. Germs are killed. The hidden trap that no other method can reach is safe and sanitary. Sani-Flush cannot harm plumbing.

It is also effective for cleaning automobile radiators (directions on can). Sold by grocery, drug, hardware, syndicate stores, 30 and 15-cent sizes. Made in Canada. Distributed by Harold F. Ritchie & Company, Ltd., Toronto, Ontario.



CLEANS TOILET BOWLS WITHOUT SCRUBBING

DON'T LET OFFENSIVE PERSPIRATION SPOIL YOUR VACATION

It's so easy for one to offend unknowingly. That's why this crystal-pure Deodorant is so necessary. It can be applied quickly and easily, and is always pleasantly effective.



guests of their sister, Mrs. Hugh Osler, at the Lake of the Woods for the next two weeks. Miss Katherine Robinson is also a guest.

Mr. and Mrs. Charles K. Edward and their daughters have left Toronto for their summer house on Manitoulin Island.

Mr. Werner Haag, who has been in Europe for the past three months, arrived in New York on the Hamburg recently, and has returned to Toronto.

Mrs. Leighton McCarthy, of Toronto, is at her summer residence at Georgian Bay.

Mrs. F. N. Watriss and her daughter, Miss Brenda Frazier, have arrived from New York and have left

for Murray Bay to join Mr. Watriss at the Manoir Richelieu for the remainder of the summer.

Mr. and Mrs. Wilfrid Heighington, of Toronto, are visiting Mr. and Mrs. Strachan Johnston at their Lake Joseph summer residence. Mrs. Latham Burns, who has been their guest, has returned home.

Lord and Lady Northesk, who arrived in Montreal recently from England, have been spending some time with Mr. and Mrs. Wilson Southam at Portland-on-the-Rideau before leaving for the Pacific Coast.

Mr. and Mrs. Ewart B. Walker and their family are at their summer house, "Broadvees," Innisfree, De Grass Point, Lake Simcoe.



MRS. GORDON MCKNIGHT, nee Miss Rosalind Margaret Evans, daughter of Mr. and Mrs. FRED W. EVANS, of Toronto, whose marriage took place this summer. Mr. McKnight is a son of Mr. and Mrs. John McKnight of Toronto.

—Photograph by Charles Aylett.

CONCERNING FOOD

BY CYNTHIA BROWN

GOODNESS, I hope I'm not too late to encourage you about your preserving. There is nothing, I've found, so encouraging to the Go-thou-and-do-like-wise spirit as rows of jars of newly bottled fruits on a pantry shelf.

As the early riser downstairs by an awful mistake at seven instead of eight immediately yearns to rouse all the rest of the household to enjoy the splendid experience of the dawn and dew on the grass and everything—so I long to see you stoning cherries and pouring hot syrup up your wrist beside a steaming brew.

Really, the expenditure of energy seems entirely worth it as you stand back and admire the fruit of your toil. It's a pity to have to do it in the hottest month of the year, but then that happens to be the month, dears, when fruit ripens. Perhaps you will put that aside as your bright thought for the week.

It's a grand year for cherries, and for raspberries; moisture and sun nicely spaced have produced a phenomenal crop. Experimenting with cherries in the last two years has taught me a lot too, and plenty of room yet for improvement do I hear one of my little students mutter? Well, there's one less to ask to tea next winter.

Cherry jam now . . . timorous brides and tired housekeeping veterans might well concentrate on cherry jam—it's so easy. I speak with that fine solid authority you are so alarmingly beginning to expect of this column when I think of this year's lot now in my own kitchen. It is dark red—almost as red as last week's red currant jelly, (and there's a color!) and perfectly jelled and it lingers on the palate like the taste of a good wine. This is how I did it.

Take a basket of good red preserving cherries (the sort that are just a bit too sour to eat raw and get a pain with), pick the stems off and throw cherries, stones and all into a preserving kettle with one cup of water. Bring them slowly to the boil and cook them until they are soft and broken, about half an hour. Now rub them through a big ordinary wire strainer, throwing away the stones. Measure the juicy pulp thus produced, and to each cup of it put a cup of finely granulated sugar—boil together for 15 minutes, pour into jelly glasses, cover with Parowax when the stuff is cool enough to have jelled on top—and call it a day.

LAST year because my cherries were not fully ripe I threw in half a bottle of Certo just at the end of the boiling. It made a good jelly too, though of a pale color that led me to pass it off successfully all winter as peach jam, more shame to me. I recommend the Certo to cowardly custards who can't tell when a jam is going to jell by trying it on a saucer in the refrigerator.

This jam is frankly the berries in that Nursery classic, a "jam roll," far more character than apple jelly, none of the infuriating seeds of raspberry jam, and nothing like the expense of strawberry. You will find the men of the family falling like unskated delphinium before a good jam roll. This is my own recipe which I modestly state is good. Try it for tea in the country.

JAM ROLL

Beat the yolks of 3 eggs with one cup of fine white sugar till they are pale lemon colored. Add 2 tablespoons of milk. Beat the whites to a froth and add to the above. Sift 1 cup of flour with 1 heaping teaspoonful of Baking Powder, add to the rest and

flavor with vanilla. Bake in an oblong pan at once in a moderate oven (the neat pan well larded and floured will do nicely.) While hot turn it out from the pan on a cloth wrung out of cold water. Spread with jam and roll quickly. Sprinkle the outside with dry icing sugar.

CANNING cherries is the next simplicity that so seldom turns out anything but well. It's a natural for the amateur canner. Stoning the things is a deplorable nuisance but if you keep your mind on higher things and use a hairpin it's not too interminable a job. Put the stoned fruit in your preserving kettle and measure on enough water to just show through and about the fruit. A 6-quart basket takes about six cups. Add an equal number of cups of sugar as water and boil the whole thing for twenty minutes. If you like them sweeter it does no harm at all to throw in another cup of sugar before the thing is done. Some cherries are undoubtedly sourer than others. Pour at once into hot sterilized jars, use new rubbers and screw the tops tight. Reverse the jars (the white top of the electric stove's oven is a cosy place for them overnight) and if there is a drop of juice underneath any one of them next morning use it for a sweet within the next week or so. No use storing anything but an air tight jar.

These are the good home version of the popular commercial tinned cherry, you understand. The juice is highly flavored, fairly sweet, and thin. If you want to preserve cherries this is the best recipe I know. More nuisance—but grand for tarts and such in rich pastry shells. Richmond cherries are best for it.

CHERRY PRESERVE

Put the desired number of cherries. Measure an equal number of cups of sugar as fruit and add half of it to the cherries in the kettle. Let stand 1 hour. Boil slowly 10 minutes, skim out the cherries, add remaining half of sugar to syrup, continue boiling until somewhat thickened, skim off any foam, pour it on the cherries and let stand till the following day. Drain cherries out again, boil and skim for 10 minutes, add the cherries and boil for 20 minutes. Seal in sterilized jars and store away for future use.

RASPBERRIES in our house are canned, not made into jam or jelly. One is too seedy, the other unnecessarily expensive, we think. Canning went on under our personal auspices this afternoon—the result is so handsome and fine flavored I'm thinking I should enter them at the C.N.E. or some 'pin'.

CANNED RASPBERRIES

Make a rich syrup in the proportions of 1 cup of sugar to one cup of water boiled 10 minutes. It should then have what we old maestro canners call "weight" as it drips off the spoon. Have pint bottles sterilized by boiling 10 minutes in the dish pan. Fill each hot bottle with uncrushed fruit, pressed down tightly but for goodness' sake not all squashed. Pour on the hot syrup until it drips over the edge of the bottle. Some fruit will rise up and stick out the top and you let it. You will find you can add a little more syrup in about a minute. These jars are bound to shrink so they must be full as a tick to start with. Adjust the rubber and the glass top, screw down the metal ring lightly. Put a few criss-cross pieces of wood, or just some excelsior in the bottom of the preserving kettle, if, like me, you don't use a wash boiler with one of



UNDER THE VIVIDLY FLOWERED "play-girl" suit of cotton at the right is a snugly fitted jersey lining. Over the Ripley "Believe It Or Not" swim suit of satin is worn an English wool cape striped with navy, white and red and finished with a peaked hood. The striped canvas beach shoes are cork-soled and the heavy cotton mesh shoes, banded with red, are rope-soled and finished with bright red wooden heels. The Robert Simpson Company Ltd.

those wire racks to hold the bottles which all canners should have and they're *cheap*. Inexpensive. (Why haven't I? I simply don't know. Probably because I haven't a wash boiler either.) Set the bottles upright in the kettle in nearly boiling water. Cover and boil for 20 minutes. Take out the bottles, none of which have

cracked or leaked if you have used the remotest care, screw the tops tight and reverse for testing as you were told to do with your cherries. The same reason holds good.

Whee-oh! I feel I've been through the whole process twice in one day so ardently have I egged you on.

DRESSING TABLE

BY ISABEL MORGAN

ONE of the most vivid recollections of the last summer we spent at the Atlantic seashore concerns a beautiful blonde damsel who came to the beach from a nearby hotel every morning promptly at eleven o'clock. She was a magazine-cover girl, a delectable sight in her smart swim suit, with a perfect complexion and every golden ringlet of her modish coiffure in place. She *always* carried a sun umbrella, open to shield her from the sun. We used to wait with what some novelists like to call "bated breath" as she fastened her Pomeranian's leash to a chair, daintily stepped out of her cork sandals and, still clutching the sunshade, walked to the water's edge and tested the temperature with a pedicured toe. Only then did she venture to wade in up to her neck to survey the Atlantic from under her umbrella with supreme composure. And when she emerged from the water in about five minutes sunshade, coiffure, complexion and composure, were as completely unruffled as when she went in. Even the little waves on the beach seemed to be silenced.

We came to the conclusion that beauty must be a pretty heavy responsibility when such old-fashioned methods of preserving it had to be used. The sunshade girl had the right idea, but the wrong method, for she could have protected her complexion even more efficiently from the sun by means of any one of a number of good protective creams without cramping her style quite as badly.

This protection could have been extended to her hair, too. After all, simplicity is the thing in summer coiffures, and summer is not a time of the year to allow some hairdresser to express his art in a complicated confection of curls. The hair, if thick, should be well thinned out and cut in a style that will fall into becoming lines with a few flicks of a comb. On the other hand, hair ought to receive even more care during the summer than it does the rest of the year. Salt water must be rinsed out with fresh water every time the hair gets wet, and before being exposed to the sun it should be treated to a bit of brilliantine or one of the preparations specially designed to protect the hair as other preparations do the skin. Of course, if you can manage to remain indifferent to streaky hair that has been bleached in streaks by the sun, it's all right with us. But the only way to avoid ending the season with a Harpo Marx coiffure is to give the hair a reasonable amount of protection from the sun.

A HAIR tonic, chosen with regard to scalp conditions, is another good bet during the summer. Most important of all, however, is lengthy and vigorous wielding of the hairbrush. The latter is a bore, we grant you, but necessary. It's made a little easier than formerly by the very efficient brushes one can buy nowadays. Brushes that are more decorative than useful have made way for sturdy well-made affairs with handles and backs that fit the contour of the hand, and bristles that keep a bulldog grip on their foundations through hundreds of washings. Plain wood or composition backs are serviceable, and a narrow brush is more easily managed than a wider one. Since a perfectly flat brush does not penetrate and polish well, good brushes have bristles of varying length. One famous brushmaker has devised a wavelike arrangement of the bristles which separates the hair into strands

as it is being brushed and so penetrates unusually well.

It has been found that quite a number of women have chronically dull hair because the soap is never entirely removed from it. If, when you do your hair, what appears to be "dust" is found on comb and brush, you can be sure you have not rinsed thoroughly. There are many ways out of this situation. In many communities the juice of two lemons added to the next-to-last rinse will take off the last vestige of soap. In places where the water is very hard, one of the new colorless rinses made for just this purpose will make the soap come foaming out even when you have rinsed until you feel there can not possibly be any left. And of course there are soapless shampoos which do not leave a film on the hair.

Few can afford the time necessary for a daily shampoo, especially if the hair must be set each time, although this is obligatory with screen stars whose hair must always be soft, lustrous, and full of life in order to shine under the strong studio lights. They keep it that way by daily attention. Many of them shampoo every



MISS STEWART GALT, daughter of Mr. Thos. P. Galt, K.C., and granddaughter of the late Chief Justice Sir Thomas Galt, who was in London for the Coronation. Miss Galt paid a short visit to Paris and Ireland before returning to Toronto.

—Photograph by Pearl Freeman.

day or every other day, oiling dry ends lightly to keep them pliable. They try egg shampoos, oil shampoos, everything that they know to make their hair glossy and clean. They massage the scalp, they brush, they insist on the gentlest methods of waving. However, hair can be kept presentable by a shampoo every week or ten days, and by brushing every morning and night.

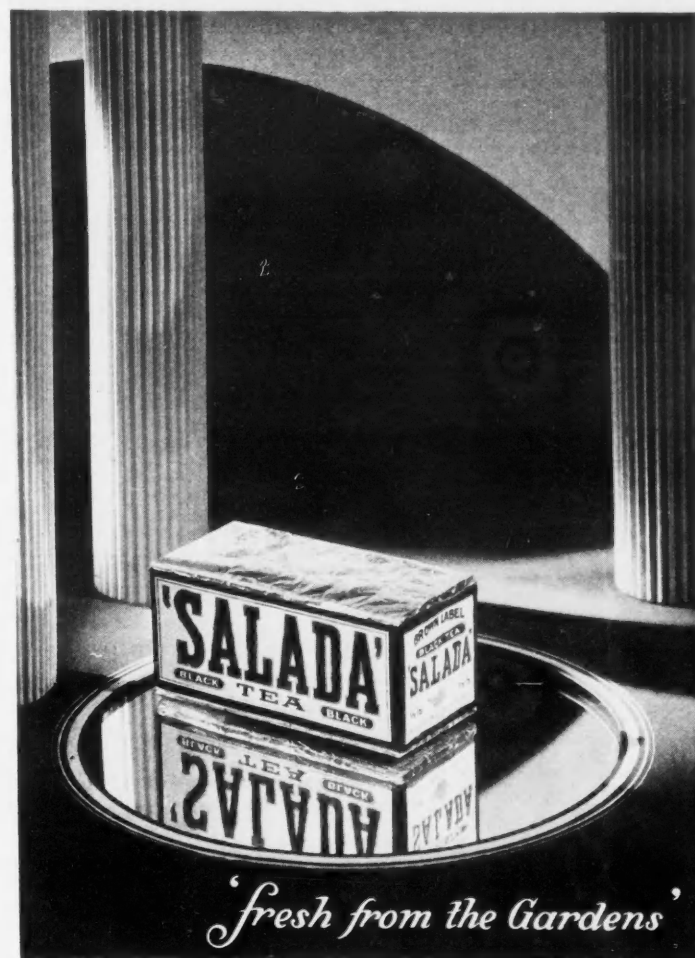
TRAVELERS

Mr. and Mrs. A. de Lothiniere Panet have returned to Ottawa from Kennebunkport, Maine, where they spent several weeks.

Mr. and Mrs. Denis Fitzgerald have left Toronto for Proulx's Neck, Coast of Maine, for a fortnight.

The Hon. Randolph Bruce, the former Canadian Minister to Japan, and Mrs. Bruce, have been spending a short time in Victoria, B.C., before going on to St. Andrews-by-the-Sea.

Mr. and Mrs. Michael Lubbock, with their two small children, have left Winnipeg for Banff, where they have taken a cottage for the next month.



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SPEAKING OF TRENDS. Or perhaps this not a trend but a coincidence. Anyway, the top picture shows members of the Men's Dress Reform Party in costumes that won prizes in the Coronation Competition held in London. The bottom picture shows trousered lady competitors at the National Rifle Association Meet at Bisley. The significance of these pictures—that is, if they have any significance—is that clothes no longer make the man, they simply make for confusion.

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SOCIAL WORLD

BY BERNICE COFFEY

THE next horse show to take place is that held at Sutton, Ont., on August 5, 6 and 7, an annual event always attracting many entries. The committee for the event includes: Honorary president, H. R. Bain, M.F.H.; Chairman, Paul Higgins; and Messrs. Anthony L. Smith, Robert Kilgour, Major Gordon Gayford, Geoffrey Laidlaw, Charles Conacher, O. D. Robinson, J. Harold Crang, Harry I. Price, Wilfred Shanahan, Lt.-Col. W. L. Rawlinson, Donald E. Rogers, J. Elliot Cottrell, Dr. O. M. Beattie, Fred D. Neale, Walter T. Northgrave, Jr., E. W. Bayley, Gordon Trent, W. H. Pugsley. Members of the entertainment committee are: Chairman, Miss Margaret Stevenson, and Mrs. Bruce Barry, Mrs. Gordon Trent, Mrs. F. J. Crawford, Mrs. Reginald Horner, Mrs. Fred D. Neale, Mrs. E. Harvey Ellis.

MRS. STAFFORD ROBERTS sailed Saturday for her home, "The Manor House," Wadeford, Somerset, England, after a brief visit with her mother, Mrs. John Burns of Winnipeg. While visiting in Toronto en route, she told of her recent visit to see the collection of pictures at the Royal Academy where many noted Canadian artists are represented. Mrs. Roberts was drawn by the large groups that had gathered in front of three outstanding portraits. There were various speculations of those about her as they gazed at the portrait of a most distinguished man in uniform wearing many orders. Not English, could it be he was American? Obviously he was someone of great distinction; the many medals he wore as well as his appearance attested to that, ran the comments in clipped English accents. The features seemed very familiar to Mrs. Roberts. On consulting her catalogue she found the portrait titled "The Honorable Colonel Herbert A. Bruce," and was thrilled to discover that the portrait by Jackson, was of one of our most distinguished Canadians. Much as she desired to, Mrs. Roberts said she could not muster quite enough courage to brave English reserve and tell those about her of her discovery. Instead she passed on to the next canvas, one by Kenneth Forbes, that also was attracting much attention from visitors. It was called "The Critic," and, having been re-oriented to things Canadian, she immediately recognized the subject from whom the artist had so successfully caught the qualities of insensibility, philosophic detachment, the penetration of the critic—as Augustus Bridge. The other of the three portraits receiving so much admiration, was by Forbes, and the artist's wife Mrs. Kenneth Forbes had posed for it.

AMONG the yacht owners at the Seigniory Club for the seventh annual regatta held on July 24 were, Mr. and Mrs. Colin Rankin on "Naowin" with Mr. J. P. MacIntosh as their guest. Mr. and Mrs. D. S. McMaster on board their cruiser "Abyssinia," of the Royal St. Lawrence Yacht Club with Mr. and Mrs. G. B. Foster as their guests; Mr. J. R. Popham aboard "Oke Belle" with his guests, Mr. and Mrs. A. H. Popham, of Montreal; Mr. and Mrs. Russell C. Ronalds of Montreal on their cruiser "Baleia II" with Commodore and Mrs. Geo. Hamilton on the Royal St. Lawrence Yacht Club, Montreal; Mr. and Mrs. W. G. Goodhugh and Mr. and Mrs. R. C. Holden of Montreal aboard "Chinook" and Mr. and Mrs. Hugh Jacques on "Maraja" of the Hudson Yacht Club with Mr. and Mrs. L. O. Jaques and Mrs. H. E. Dwyer as their guests.

VICTORIA

LUNCHING together recently at the Empress Hotel, Victoria, B.C., were Señora Maria Louisa Alvarez de Toledo de Broggi, foreign correspondent of La Razón, Buenos Aires and her husband, Señor Leopoldo Ramon de Broggi, director of the



VISITORS. (Left), Lord and Lady Northesk as they arrived in Montreal aboard the Montcalm. Lord Northesk is a descendant of Admiral Lord Northesk who was third-in-command under Nelson at Trafalgar. Lord and Lady Northesk are the guests of Mr. and Mrs. W. W. Southam at Rideau Lakes. (Right), Mrs. Victor Gordon-Lennox, of London (the former Diana Kingsmill, of Ottawa) and her son, George, are seen aboard the Montcalm at Montreal. Mrs. Gordon-Lennox will be a guest of Mr. and Mrs. W. W. Southam at Rideau Lakes.

National Mortgage Company of the same city, and Captain and Mrs. W. Eric P. Saunders of London, England. The Broggis are en route to the Orient and the Saunders have been travelling the world these last six years from Serbia to Baluchistan and including Bali and the Americas. Conversation was mostly in French with an occasional lapse into Spanish, English, German and Italian.

On his return to England within the next year or so, Captain Saunders prepares to stand for the British Parliament. Meanwhile making the globe his lesson book, he studies Imperial and world affairs.

Formerly of the 18th Lancers (India), he is more than six feet tall. Mrs. Saunders is almost as tall as her husband, slim, soignée, flies her own plane, makes movie pictures of places and animals and dresses extremely well. Both are young, witty and personable. They drive a Rolls which they brought with them. They leave Victoria in a couple of weeks' time for Banff, Lake Louise.

Among those from Toronto visiting in Victoria are Mr. and Mrs. H. E. Wallace, Major and Mrs. E. A. Hetherington, T. E. Hetherington and Miss N. Hetherington, the Misses Evans and Mr. and Mrs. P. T. Butchart. Among those from Calgary are Mr. and Mrs. F. E. Lewis and Dr. and Mrs. J. M. Dixon.

ON THE CALENDAR

Friday, July 30—National Garden Scheme. Mr. and Mrs. Levan Babayan, "Armavir," Highland Crescent, York Mills, Ont.

Thursday, August 5—Promenade Symphony Concert, under the direction of Mr. Reginald Stewart. Emily Roosevelt, soprano, guest artist.

Thursday-Saturday, August 5-7—Annual Horse Show at Sutton, Ont.

Saturday, August 7—Vernian Night at the Seigniory Club, Province of Quebec.

ENGAGEMENTS

WINNIPEG

White-Russell — Mr. Franklyn Everhart White of London, Ont., son of Brigadier-General and Mrs. John B. White of Montreal, to Miss Hester Elizabeth Russell, daughter of Mr. and Mrs. William C. Russell.

TORONTO

Kelley-Ross — Mr. William Andrew Gresham Kelley, son of Mr. and Mrs. H. J. Kelley of Sydney, Nova Scotia, to Miss Isabel MacKay Ross, daughter of Hon. William D. Ross and Mrs. Ross.



MRS. LEONARD G. LUMBERS, formerly Miss Frances McNeillie and daughter of Mr. and Mrs. George McNeillie, whose wedding was an interesting event in Toronto recently.

—Photograph by Charles Aylett.

TRAVELERS

Mr. and Mrs. Wayne French and their daughter, Miss Margaret French, of New York City, are guests of Mr. and Mrs. G. A. Morrow at Mississauga Lodge, Port Credit, Ont.

The Hon. Mr. Justice Keiller MacKay of Toronto is in the Maritimes for a month's holiday.

Dr. Byron A. Campbell has returned to Toronto from a trip to England, Scotland and France.

Among the Torontonians who sailed from Montreal on July 26 aboard the Clarke cruise liner North Star for Labrador, are Mrs. Thos. Anderson, Miss Marcella Anderson, Dr. and Mrs. H. P. Hudson, Miss Lila Hudson, Mrs. Frederick O'Connor, Miss Dorothy Osley, Miss M. Rice, Miss Helen St. Charles, Miss May St. Charles, Mrs. William Walsh, Mrs. H. A. Withers.

Recent visitors at Beaumaris Hotel, Muskoka Lake, Ont., include the following from Toronto: Mr. and Mrs. W. G. Watson, Dr. Trevor Owen and family, Mr. and Mrs. S. K. Ridout, Mrs. J. L. Gooderham, Mr. and Mrs. Charles Holme, and many others.

Among recent guests at Bigwin Inn, Lake of Bays, Ont., were: Mrs. F. M. Willis, Mr. and Mrs. R. L. Garland and family, Mrs. Moffatt Woodside, Mrs. I. H. Weldon, Mr. and Mrs. E. F. Wright and son, Mr. E. A. Beggs, Mr. and Mrs. J. R. Stratton and Mr. John Stratton, Mrs. T. P. Phelan, Mr. and Mrs. Andrew Hazlett, all of Toronto; Mr. and Mrs. R. H. Underhill of Barrie; Mr. and Mrs. Walter Turnbull of Brantford.

Mrs. Philbrick Nelson and her two daughters, Miss Jennifer and Miss Judith Philbrick, of London, England, arrived by the Montcalm, and will be the guests of Mrs. Nelson's

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MARRIAGES

MOWAT-GLENNE—The marriage of Helen MacGregor, younger daughter of Mrs. George G. Glenne and the late Mr. Glenne, to Mr. George H. Mowat, son of Mr. W. K. Mowat and the late Mrs. Mowat, was solemnized quietly on Saturday, July 10th, 1937, at St. Andrew's Church, Toronto, by Dr. Stuart C. Parker, and assisted by Dr. K. C. Evans.

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"For the past two years," writes a woman, "my face was covered with hard pimples and red blotches, and I also had eczema on my neck and forearms. I tried lotions, creams and ointments, without the slightest effect. I was so worried. Fortunately I decided to give Kruschen a trial, and without any exaggeration, within six weeks my face was without a blemish, and I have not had a sign of eczema since. I take Kruschen regularly every morning, and would not be without it."—(Mrs.) J. A.

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GLORIES OF THE PAST. A corridor in the famous Catherine Palace in Detskoye Selo, which has been renamed Pushkinograd in memory of the Russian poet, Pushkin. These palaces are open to visitors to the Soviet Union.
—Photo courtesy Intourist and C.P.R.

—Ports of Call

SOVIET TRAVEL NOTES

OLD Moscow is rapidly being converted into one of Europe's most modern capitals. In accordance with the general state plan of reconstruction of Soviet cities, Moscow today has been enlarged from its original area of 11,400 acres to 27,000. Narrow, crooked streets are rapidly being replaced by asphalted avenues and tree-lined boulevards. The construction of great office buildings, hotels and apartments in the downtown areas is being supplemented by vast developments in the outskirts of the city. Here are being laid out great parks and gardens, in the midst of which are arising huge blocks of modern dwellings. These garden areas are adjacent to Moscow's many factories and "combinats" devoted to both light and heavy industry. The people of Moscow are justly

in the U.S.S.R., the palace-museums of Pushkin are still an outstanding attraction, visited by half a million people each year. The Catherine and Alexander Palaces, the court theatre and many of the pavilions have been preserved just as they were in former times; likewise the Pavlovsk Palace. The 17th century Catherine Palace is of incredible magnificence, with its ballroom entirely finished in amber; its exquisite throne-room parquet floor, regarded as the finest in the world; and countless other rooms full of rare tapestries and mosaics. This palace is in itself a comprehensive museum, giving at a glance the history of two centuries. During the summer, visitors to Pushkin dine on the garden Cameron Gallery which is lined with famous busts collected over many centuries.

will look like a part of the Moskva and will be joined to it by a passageway in the tower at the 16th floor. With the disappearance of the colorful but inadequate fireplaces in each room and the installation of modern plumbing and heating the Grand Hotel loses much of its old-world atmosphere but gains, of course, in comfort and convenience. Used often for business meetings and diplomatic conferences, it will contain a number of newly designed cafes and banquet-halls. The 12th floor will be devoted to a concert hall and a summer restaurant which will accommodate 600 people. On the 13th floor there will be a large terraced cafe looking out on the city on all sides. The well-known Soviet painter Lansere has been commissioned to create a mural decoration in the Grand Hotel's new lobby. His work already in progress is to be called "A Soviet Night Carnival".

UNEXPECTED reminders of the old regime in the modern U.S.S.R., from the point of foreign visitors, are most of the waiters. The dining-rooms of all the leading hotels and restaurants in Moscow, Leningrad and other cities are staffed almost entirely by men long seasoned in their calling, who saw service under Tsarist rule, explainable by the fact that young Soviet citizens tend to enter industrial, scientific or educational pursuits.

Equally surprising to visitors from other countries is the consistent refusal of these veteran waiters, who formerly received handsome largesse at banquets of rich merchants and the nobility, to accept any tips whatsoever for their table service. Their salaries, fixed by their own waiters' unions, are satisfactory for living purposes, and they politely decline what is the same thing in any language whether called a tip or by its more picturesque designations of *pourboire*, *trunkgeld*, *baksheesh* or *but*.

Perhaps the outstanding place to dine—tiplessly—in the Soviet Union today is the new restaurant which has been built into the Moskva, a magnificent structure on Hunters' Row in the centre of Moscow. It serves the needs of 1200 rooms in the hotel above and is also widely patronized by the general public. The same is true of the enormous garden restaurant in the Metropole Hotel, distinguished by a huge fish-pond in the centre of its marble dance floor. Other famous cafes and evening rendezvous are the Cafe des Arts; the Caucasian restaurant in Gorky Street, featuring native dances; the Summer Cafe, a modern, brilliantly lighted spot in Pushkin Square; numerous restaurants in the Park of Culture and Rest and the illuminated boat restaurants on the Moscow River.



IN THE SOVIET CAPITAL. One of Moscow's many fine outdoor cafes. This one is the "Summer" at the corner of Pushkin Square and Gorky Street, in the heart of the city.—Photo courtesy Intourist and C.P.R.

proud of the second line of the "Metro", Moscow's subway, which is nearing completion and will be put into service next spring. This line will add to the underground system already in operation, nine palatial new stations, designed in different styles and finished in marble and granite, reached by fast escalator service. One branch of the already-constructed subway goes to the great Gorky Park of Culture and Rest which stretches for miles along the granite embankment of the Moscow River. The construction of the new Moscow-Volga Canal is part of a vast system of waterways in the Soviet Union which will make Moscow a great seaport.

THE famous "Detskoye Selo" (Children's Village), the former imperial palace grounds on the outskirts of Leningrad, has been renamed Pushkinograd in memory of the great poet whose centenary is being celebrated throughout the Soviet Union. Pushkinograd, containing palaces built centuries ago and extensive park areas, is devoted mainly to museums and playgrounds for children.

The first great changes in "Tsarskoye Selo"—Tsar's Village, as it was then called—came shortly after the October revolution. When this group of palaces and parks was converted into museums and playgrounds it was renamed "Detskoye Selo" and was dedicated by a special provision of the Soviet Government as a recreation place for children. Many sanatoria have been established for them, open the year round—as are other remodeled palaces, rest-houses for workers, scientists and teachers. Likewise the spacious and beautiful parks provide rest and recreation for thousands of workers and their families on free-day outings. Other features of the newly-named "Pushkinograd" are various scientific institutions, including an Agricultural Institute known far beyond the borders of the U.S.S.R. and frequently visited by foreign scientists.

Side by side with this abundant evidence of the new life of the people



OLD AND NEW are being combined in Moscow's general plan of reconstruction. Two of the city's popular hotels, the Grand and the Moskva, are included. The Grand, on the right, is being remodelled to conform with the other structure and the completed building will be the largest hotel in Europe.
—Photo courtesy Intourist and C.P.R.

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MIDLAND — ONTARIO

—London Letter

BY P. O'D.

MUDIE'S IS GONE

July 12th, 1937

A GOOD many thoughtful French and American observers must, last week, have noted with envious admiration the way in which Ernest Bevin and his colleagues on the Executive of the Transport Workers' Union trounced the extremists responsible for the London 'busmen's strike and all the unofficial 'bus-strikes up and down the country. It was a great victory for good sense, discipline, and the keeping of contracts. Fortunately, that sort of victory has not been rare in the history of British trade unionism.

The Transport Union held its biennial conference at Torquay, this time. On Tuesday there was an all-day battle over the executive report, outlawing unofficial organizations, such as the rank-and-file movement among the London 'busmen. The extremists had come in full force to attack Bevin and the other more conservative leaders for "class-betrayery." But they found Bevin in a fighting mood. When the smoke and roar of conflict had died away, they were routed by almost 300 votes to 50. It should settle for a long time to come the question, who is boss?

Everyone knows that Bevin was utterly opposed to the London 'bus strike, not because he didn't want the men to get all they could, but because he knew they would lose far more than they got. Having failed to prevent the strike, he did his best to shorten it and to prevent its extension. More than any other man he was responsible for keeping the tramways and the Underground working, in spite of frenzied appeals from the strikers.

Of course, if the strike had succeeded, Bevin's position would have been very different at Torquay. He might conceivably have had to get out. Union members are apt to have short memories for past services, however great, remember what the railwaymen did to Jimmy Thomas, because he joined the National Government? They booed him out, after all his years of hard and successful work on their behalf, and refused to give him even the usual small pension. Jimmy didn't need the money, but he is said to have felt very lonely the result and the magnitude.

Bevin knew what he was risking when he openly opposed the Corporation 'bus-strike. But he is a bold man as well as a shrewd one and events here and the correctness of his judgment. The strike was an utter failure. All the poor devils at 'buses, crowded in doing, was in (two three weeks pay, forced public sympathy, with even their legitimate demands, and convince the London Transport Board and the public generally that there are far too many 'buses in the streets of London and that it would be wise to scrap at least a thousand of them.

Bevin was thus in an excellent position to point out the folly of an authoritarian and irresponsible leadership, and to show the responsibility

whip over the malcontents in his union. He seems to have taken full advantage of the opportunity. His victory is one more reminder that the immense development and power of British trade unionism have been chiefly due to the stability, foresight, and genuine statesmanship of the men at the head of it. Unfortunately that sort of leadership is not achieved over night. It is the fine flower of generations of hard and sobering experience.

MUDIE'S is no more! Within just five years of attaining its centenary, the famous "Select Library" of the Victorian Age has had to close its doors. A circular has been sent out to subscribers to say that the Company's assets will hardly realize enough to meet the liabilities to debenture-holders and similar favored creditors. It will therefore not be possible to make any allowance for the unexpired portions of subscriptions.

How the ghost of Charles Mudie must have groined over that! About a year or so ago, when Mudie's was first known to be in difficulties, I had occasion to tell in these columns something about the little Chelsea newsagent, who got the idea of founding a lending library. It was in 1842 that Charles Mudie established his new venture in the premises in New Oxford Street, which became one of the best-known addresses in all London.

From there millions of volumes were sent out over the whole country, books of all sorts. But perhaps not quite "of all sorts," for Charles Mudie had Victorian ideas as to what should and should not be read. He exercised a very strict censorship, which aroused the indignation of Carlyle, among others. But Mudie was undeterred. When he called his library "Select," he really meant it.

The downfall of Mudie's is attributed to the intense competition of new lending libraries, especially those established in multiple shops as a mere side-line to other business, to the popularity of the twopenny type of library, where you simply pay your "suppence" and take your book, and to the present publishing vogue of cheap reprints. If you can buy a well-printed modern novel for sixpence, there is obviously not much motive in joining a library.

Mudie's flourished in the days when novels came out in three volumes and cost about thirty shillings. It did grand service in fostering a general taste for good reading. Unfortunately, it stuck rather too closely to its ancient methods and traditions, and so it has had to go. This was inevitable, perhaps, but it is none the less very sad. Mudie's was a name worth preserving.

WHILE we are on this subject of books and bookdealers something decidedly dramatic occurred the other day at a Foyle luncheon. Foyle is a large bookshop in the Charing Cross Road, famous especially for its immense collection of



ON THE WAY DOWN. A sign marking sea level on the descent to the Dead Sea which lies 1,292 feet below the level of the Mediterranean. The water of the Dead Sea is so intensely salt that it is impossible either to swim or to sink in it.

second-hand books, probably the largest and most varied in the world. Whenever you want a book that is out of print, Foyle's is the first place in London that you visit.

Foyle's is also famous for the literary luncheons which it gives from time to time. These are enormous affairs, at which distinguished writers, and people distinguished in other walks of life as well, are given the opportunity of meeting and addressing their admirers.

The Foyles, or rather, Miss Foyle, for she is the organizer of these functions, gave one last week at the Dorchester Hotel in honor of Dr. Buchman and the Oxford Group Movement. The eminent Doctor was himself there, as were a large number of other distinguished "Groupers." And naturally such being the curious custom of the "Group," they got up one after the other and did a bit of public "soul-sharing" right there over the plates and glasses and cigarette-stubs!

Then they called on Miss Margaret Rawlings, the actress, who was one of the guests of honor, to say a few words. No doubt, it was assumed that the "soul-sharing" of a brilliant and successful young actress would be even more thrilling to the 1600 people present than the revelations of the other spiritual strip-teasers who had preceded her. And Miss Rawlings really was thrilling, but not at all in the way they hoped.

She began by saying that she felt she was here under false pretences. She hadn't imagined that it was going to be that sort of thing. She hadn't expected to be asked to make a speech, and she certainly hadn't expected to have to listen to the sort of speeches she had just heard, she intimated that they made her sick. "To me it is as shocking," she said, "shocking in the Victorian sense, as indecent and indecorous, as it seems to me to take off all his clothes in Piccadilly Circus."

She went on to describe the whole business of "sharing" as nothing more nor less than "psychic exhibi-

tionism, with a natural accompaniment of sensual satisfaction." She reminded her hearers that in Japan, where she was born, people attached very little importance to nakedness of the body. They hardly even noticed it. But they attached the very greatest importance to preserving the modesty of the soul. She suggested that there was a lot to be said for the Japanese point of view, and earnestly commended it to their consideration.

To do the "Groupers" justice, they applauded her, not very enthusiastically, perhaps, but enough, at least, to show that they appreciated her courage. And it must have taken a lot of courage to say what she did, after a well-known bishop, a general, a very successful writer of thrillers, a peer or two, and a number of other prominent persons had been joyfully displaying their spiritual nudity to the public gaze. It was, as a matter of fact, the bravest speech made in London in many a day.

Miss Rawlings ought to get a medal of some sort for it. But she won't. She probably won't even get an invitation to another Foyle luncheon. But she has at least earned the admiration and applause of the many thousands who have also been made sick by the spiritual antics of the "Groupers," but who have never had a chance to tell them so—or the courage, perhaps, to tell them, if they did have the chance.

Hats off to Margaret! She's a great girl and, incidentally, probably the most brilliant young actress in London just now. Her work in "Black Limelight" as the wife of the murder suspect is regarded by critics as the "best performance in Town." But her most famous part was as Kitty O'Shea in "Parnell." She is just thirty. By the time she is sixty, she should be quite outspoken.

• • •

June: "Oh, Fred, the baby has swallowed the matches. What shall we do?"

Fred: "Here, use my cigarette-lighter." *Wednesday Night Life.*



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SATURDAY NIGHT

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TORONTO, CANADA, JULY 31, 1937

P. M. Richards,
Financial Editor

WILL GOLD PRICE FALL OR COMMODITIES RISE?

Why Purchasing Power of Gold Must be Reduced; Either by Lowering Price of Gold or Through Inflationary Rise in Commodity Prices—Roosevelt Policy is the Key

BY TRAVERS CAREY

HOW long can the United States continue to pay \$35.00 an ounce for all the gold that is offered, and what alternative courses are open to her Administration?

The answer is of particular concern to Canadians because gold mining plays a larger part in the economic life of Canada than in any other nation with the exception of the Union of South Africa. Due largely to the impetus of the increase in the United States' price of gold from \$20.67 to \$35.00 an ounce, Canada's gold production from 1932 to 1936 increased 23 per cent, in terms of ounces and over 109 per cent, in dollar value.

A substantial reduction in the price of gold in terms of Canadian dollars or a restriction upon the amount which the United States will purchase at \$35.00 an ounce, would necessitate the closing of low grade and relatively high cost gold mines and would reduce the earnings of other producers. The resulting decline in employment in the mining industry and the lowered purchasing power of those directly and indirectly interested in mining would have a depressing effect upon Canadian business. The reduced value of gold exports, which now amount to ten per cent, of the value of total exports, would diminish her favorable balance of trade and lead to a depreciation in the exchange value of the Canadian dollar.

If, on the other hand, the world price of gold were ultimately stabilized at approximately \$35.00 (Canadian) per ounce, the general price level of goods and commodities would be considerably higher than at present and the purchasing power of both gold bullion and Canadian dollars would be proportionately lower. The increase in the price level would result in higher mining costs and a reduction in the earning power of Canadian mines.

THE United States is to-day the only country committed to pay a high fixed price for gold. No "permanent" price can exist until a number of the major trading nations of the world obligate themselves to purchase gold at a fixed rate in terms of their currencies.

In the decade prior to the war gold functioned perfectly as the common denominator of international currencies. The dislocation of world trade resulting

from the war led to the gradual abandonment of the gold standard. Since 1929 forty-two currencies have gone "off gold." During the same period important nations have demonstrated the possibility of managing their currencies with little or no gold backing.

Instead of reducing her tariff barriers in an effort to stimulate exports, the United States arbitrarily increased by 69 per cent, the purchasing power of gold in terms of American goods. But the drastic increase in the price of gold— from \$20.67 to \$35.00 an ounce— did not cause an immediate and comparable increase in the dollar value of American com-

modities. The gradual rise in the price level since 1933 was due to the easing of credit, the threat of monetary inflation, and the stimulus of improving business conditions.

A few years ago the League of Nations, after an exhaustive study, reported that the rate of production of new gold was sufficient for the growth of trade. Since then the rate of gold production (in ounces) has increased considerably. But neither the volume of goods produced nor the general level of commodity prices has increased in proportion.

(Continued on Page 19)



CROWDING HIM OUT

"PREFERRED" STOCK—A FACT OR JUST A NAME?

Some Recent Reorganizations Show Little Recognition of Prior Rights—This View Evident in Abitibi Plans—Preferred Holders Poorly Organized for Bargaining

BY W. A. MCKAGUE

ARE preferred stocks merely stocks, or are they radically different from common stocks? That seems a trite question, yet it is appropriate in view of certain capital reorganizations which have taken place, and others which are proposed, and which treat of preferences as trifles to be lightly swept aside.

The fundamental distinction between a bond and a stock is admitted. The former is a debt, perhaps further backed by a mortgage. It represents a claim which, if not met, can put a company into bankruptcy. A stock of any category, on the other hand, is merely a share in an enterprise. It does not fall due on a given date, and payments in the form of dividends are at the discretion of the directors.

Perhaps for this reason preferred stocks are rightly referred to as "neither fish, nor flesh, nor good red herring." They represent neither fixed charges nor equities. By their issue, a company brings in new capital without committing itself to paying anything for it. And it still keeps, for the common stock, all of the cream of potential profits, except to such degree as may be needed for conversion or participating privileges which are attached to a few preferred stocks.

But all of this does not dispose of the preferences in the event of liquidation or reorganization. There has been a tendency to carry through in reorganization plans, the idea that a stock of any kind is merely a stock. Such ease in disposing of priorities is not evident in respect to bonds. Possibly this is due to the tightening up of bargaining power of bondholders through committees and through the large institutions and investment associations which are interested in bonds. Similarly the common stock equity which is held by the management and its associates, is usually well looked after, for the simple reason that the management is in the saddle, has the inside knowledge of the business, and is in the best position to propose and secure support for reorganization plans which will adequately protect the interest of the common stock. It is the preferred stock class that is most poorly organized.

CANADA Steamship Lines, Ltd., provides one of the most striking, in fact startling, cases of destruction of preference in stock. This company had, in addition to its current and bonded debt, stock capitalization consisting of 150,000 6 per cent preference shares of \$100 par value, and 120,000 common shares of no par value. The preference was of the usual kind, applying to both

assets and earnings. The preference stock had in addition the unusual feature of a participating privilege which, had earnings been high enough, would have made the dividend eight per cent, instead of six, but this did not at all impair the absolute priority of the minimum rate of six per cent. Its dividend right was cumulative, and as at the end of 1936 the accumulation of rights to unpaid dividends totalled \$39 per share.

In other words the unquestionable right of the preference stock as against the common stock, at the time of the recent reorganization, was to \$139 per share of assets, or to \$100 per share of assets and to \$39 per share of earnings, before a single nickel could be claimed by the common stock. If the company had been liquidated outright, the proceeds over and above what was due to banks and bondholders, would have had to be applied towards preference stock claims up to that full amount; if the company had continued, \$39 per share was the first claim on surplus earnings. The total claim represented by the 150,000 shares of preference stock was \$20,850,000.

In the actual reorganization which was approved early this year, and which is now in effect, both preference and common shares received exactly the same kind of new security in exchange, viz., common stock. And the only distinction in treatment of the two, was that each share of old preference received

one and one-quarter shares of new common, while each share of old common received one-half share of new common. That is, each share of old common was rated at two-fifths the value of each old preference share. If the assets and earning power represented by the old stocks had been largely in excess of the amount of the preferred, that is, if the old common stock had had a real equity, that might have been fair enough. But then there would have been no need for recapitalization at all. A letter by the bondholders' committee referred to the valuation of assets in the balance sheet, on which the old capitalization was based, as being "in excess of their present value and disproportionate to earning capacity." The trimming down of values and of fixed charges was sound enough, and certainly the distribution to the old bondholders of all of the new bonds and also all of the new preference shares was no more than recognition of their established priority as against any kind of stock.

THE bondholders' protective committee looked after this all right. But when it came to dealing with the stocks, the same relative priority principle was not maintained. The preference stock did not get something ranking ahead of what was given for the old stock. A letter issued by the president of the company for its board of directors, announcing the terms of the reorganization, stated that "it gives effect to

(Continued on Page 21)

BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE PRIMARY OR LONG TERM TREND of stock prices and business has been upward since the summer of 1932. There have been no recent developments indicating a reversal of this movement.

THE INTERMEDIATE OR SHORT TERM TREND of stock prices turned downward on March 10 and reached a low point in June. The market, after forming a strong base from late April into June, is now engaged in a technical or corrective rally, following which will come the test as to whether the intermediate trend has reversed to an upward direction.

NOW THEN Prices on the Exchange have now been moving forward for over a month, or about the customary length of time for a rally that succeeds a sustained recession such as that from early March into June. The rally in question represents the technical rebound or corrective movement to which a material decline is entitled. Such a rally customarily regains three-eighths or more of the ground lost in the preceding decline. When the rally ends prices recede. If, on this recession, the market fails to move below the points from which the rally started and prices then recover to above the preceding rally points, it may be assumed that the downward trend has reversed.

In the present instance the Dow-Jones average of thirty leading and representative industrial stocks has accomplished its minimum objective for the rally, whereas the railroad average has approximated its critical point of 55.53. While there is no rule that the rally (Continued on Page 22)



SOME correspondents of this column have suggested that the weakness of the stock market in recent months means that the main cyclical market rise is now past—that the market from now on, until the culmination of the upward trend of the present cycle, is going to be a distinctly selective one, in which individual securities will make headway while the rest of them do little more than churn around. That stage will come, no doubt, but this column expects to see a substantial rise in the averages before it does. We believe that the time for "digging in" hasn't come yet and that we shall see a strong market this fall.

INVESTORS should remember that bad business conditions weren't responsible for the poor stock market of the past several months. Business was good. The market decline and following weakness were due to extraneous fears and influences—the previous long market climb without any major setback plus talk in high places about over-speculation, New Deal legislation and the general harassing of business by government, excessive taxation, the militancy of labor and the Roosevelt Administration's attitude toward the C.I.O., the talk of a reduction in the dollar value of gold, and the possibility of a major war in Europe. Business was good, but business management was fearful of the future.

ALL these adverse influences have lessened, some substantially. The market decline has left prices at a level favorable to an advance; the drastic defeat of the Court-packing bill is in itself heartening to business and furthermore suggests doubt as to the Administration's ability to make effective other radical legislation such as the Black-Connery bill, which latter proposes to have a board of five members dictate labor's wages and hours throughout the nation; the virtual defeat of the C.I.O. in the steel strikes has lessened the fear of that body. The gold scare has diminished, though it has not been fully disposed of. The war possibility remains and it is still anybody's guess as to whether it will or will not become an actuality. But political recognition of the fact, as indicated in Mr. Mackenzie King's recent radio address, that the maintenance of international peace can best be assured by the opening up of international trade gives hope in this direction as well as for the creation of a better basis for business and economic progress.

INVESTORS should remember that the basic factors making for business recovery are by no means exhausted yet. The depression-accumulated demand for "consumer" durable goods is still far from satisfied; industry has scarcely begun the task of replacing its worn-out and obsolete plant and equipment; an enormous amount of new purchasing power has been created by the huge relief expenditures of recent years, which also provide the stimulus of an upward trend of commodity prices; crops, with the exception of our western wheat, are good this year and will make for a larger volume of farm buying of manufactured goods; tourist expenditures are confidently expected to touch a new high this year. Purchasing power is going to be higher over the next year or so than for many years past, and providing that business does not have to combat too unfavorable conditions in the labor and political spheres, should make for a higher level of business activity, employment and general prosperity.

THE U.S. Senate vote of 70 to 20 against Mr. Roosevelt's plan to make a rubber-stamp Supreme Court seems to be proof that both the president and the New Deal have lost some of their hold on public opinion. Mr. Roosevelt insisted, up to the last minute, that the bill must go through, but the senators listened to the voices back home and turned him down. After all, the United States, like

Canada, is still a democracy and public opinion rules in the long run. The same influence has made itself felt in the labor situation. Standard Statistics remarks that "Viewing the recent steel strikes in retrospect, it has become increasingly evident that the C.I.O. descent from near-popular acclaim to public revulsion in less than two months is to be laid directly at the door of gravely misjudging public opinion. . . . Events to come will tell whether the winning of this stand was a fight near the beginning of, or at the end of, a sweeping labor movement. There are many reliable observers who now say 'The C.I.O. has shot its bolt and John L. Lewis will go down as the forgotten man of the year.'"

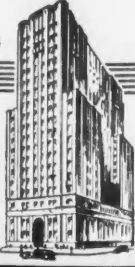
PUBLIC opinion is a stronger force today than ever before. The radio, the decrease in illiteracy, the wider distribution of newspapers and periodicals, the better facilities for communication, have increased Mr. John Public's understanding and his desire and ability to express himself. So long as public opinion is not throttled as in Germany and Italy we have a valuable safeguard against subversive movements. But even so, Mr. John Public can be fooled for a time. Alberta Social Credit is an example. These are dangerous times. Democracy must guard itself against being fooled or it may lose itself.

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Dividend Notices

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 297

NOTICE is hereby given that a DIVIDEND OF TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1937.

By Order of the Board

JACKSON DODDS G. W. SPINNEY
General Manager General Manager
Montreal, 20th July, 1937.

DIVIDEND NOTICE

WIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 46

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Wednesday, September 15, 1937 to shareholders of record at close of business on August 20.

DIVIDEND NO. 47

A quarterly dividend of 50¢ a share has been declared on the outstanding no par value Common Stock of this company, payable Wednesday, September 15, 1937 to shareholders of record at the close of business August 20.

By Order of the Board.

FLETCHER RUARK,
Secretary.

Walkerville, Canada
July 15, 1937.

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 202

Notice is hereby given that a dividend of two per cent on Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1937. The Transfer Books will not be closed.

By Order of the Board.

A. E. ARSCOTT,
General Manager.

Toronto, 22nd July, 1937.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 295

EXTRA DIVIDEND NUMBER 37

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 12th day of August, 1937, to shareholders of record at the close of business on the 29th day of July, 1937.

DATED the 22nd day of July, 1937.

I. McIVOR,
Assistant-Treasurer.

OLD CANADA INVESTMENT COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 5¢ on the Preferred Stock, and 6¢ on the Class "A" Common Stock of Old Canada Investment Company Limited, has been declared, payable August 5, 1937, to shareholders of record July 31, 1937.

By Order of the Board.

A. H. McKENZIE,
Secretary.

Loblaws Groceries Co. Limited

NOTICE is hereby given that quarterly dividends of 25 cents per share on the Class "A" shares and 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending August 31st, 1937, payable on the 1st day of September, 1937, to shareholders of record at the close of business on the 31st day of August, 1937. Payment will be made in Canadian Funds.

D. CROCHART,
Secretary.

Toronto, July 22nd, 1937.

GOLD & DROSS

further work failed to give the expected results. Further exploration of the most promising sections did not reveal any continuous section of ore grade. Some hope is still held for a zone which strikes across the most northerly claim and it is possible deeper drilling will be done here.

At the annual meeting early this month, shareholders were informed that the company's treasury still contained over \$62,000, along with 5,000 shares of Pickle Crow Gold Mines, plus \$7,000 due on a firm commitment. At the meeting, directors were authorized to invest the company's funds in shares of other mining companies. The company which was incorporated early in 1936 is capitalized at 3,000,000 shares, \$1 par and of these 1,300,000 shares were issued for the property. Some 940,000 shares were disposed of for cash, of which 700,000 were taken up under a firm underwriting.

POTPOURRI

T. T. N., Saskatoon, Sask. The quietness in the stock market is only temporary and is no reason for dropping a high-grade stock like CANADIAN INDUSTRIES, in view of its excellent long-term prospects. The company's earnings will quite likely establish a new peak in the current year, if results for the first half of 1937 are maintained for the balance of the period. Sales in the first six months continued the steady gains shown over the past few years, and despite some drop in selling prices and increasing cost of raw materials, a favorable increase in earnings is anticipated for the period. In 1936 net income of \$4,729,330 made the best showing since 1929, coming within \$60,000 of that year's peak of \$4,789,291. This comparison excludes from the 1929 results the abnormally large profits of \$1,235,774 realized on sale of assets during that year, while it makes allowance in the 1936 showing for loss of \$38,221 incurred on sale of marketable securities. Net on the common stock equaled \$6.45 a share on this basis in 1936 against \$5.85 in 1935. In 1934, 1935 and 1936, dividends of \$6 a share on the common stock were paid—the highest rate since the present stock was created. This has been maintained in the current year, \$3 having so far been declared.

J. A., Curries Crossing, Ont. A small mill has been in operation for some time on the NUGOLD MINING CORPORATION property in Nova Scotia. The milling capacity is to be increased to 100 tons daily, as soon as the new machinery is installed. Changes have been made in the mill and equipment added to improve recovery. Underground work is also proceeding. The Nugold Company has disposed of its Porcupine property to Delosha Porcupine Mines, recouping \$800,000 shares of Delosha stock.

A. C. J., Windsor, Ont. In my opinion, COSMOS IMPERIAL MILLS common is speculatively attractive as a buy around the present price for holding. The company is an important producer of dryer felts used in paper-making machines, and the steadily increasing newsprint output has naturally increased its market for these. Cosmos is, too, a large producer of the heavier grades of cotton duck for industrial uses, and the higher level of industrial activity has found reflection in its growing sales. The company will this year receive the full benefit of the savings effected by the replacement of the old 7 per cent preferred issue with a smaller amount of 5 per cent preferred.

D. M., Charlottetown, P.E.I. It was announced at the annual meeting of NUMAQUE MINING COMPANY that Que-On Mines Limited had arranged with Reid-Aulthier Mine for the latter to take over the management of the Numaque Company. It was decided to suspend drilling on the property, with a view to making a careful survey of the results obtained from drilling, following which a decision is to be made as to what future course should be adopted.

H. C. H., Medicine Hat, Alta. I suggest that you make a practice of reading the Business and Market Forecast published on the first page of this section each week. NIAGARA WIRE WEAVING COMPANY is doing well as a result of the continued expansion of newsprint output in Canada, the company deriving its profits largely from sales of endless wire screens for Fourdrinier paper machines. Rising steadily since the fiscal year 1932-33, earnings of the present organization reached a new high peak in the year ended March 31, 1937, net profits of \$278,280 comparing with \$210,375 the previous year and \$164,034 two years ago. Earnings per share on the outstanding 110,000 common shares were \$2.42. The previous year, profits would have amounted to \$1.91 per share on the present capital and two years ago to \$1.49.

Will Gold Price Fall or Commodities Rise?

(Continued from Page 17)

It is therefore logical to conclude that there is today a surplus of gold, that its purchasing power is far too high on the basis of \$35.00 an ounce and current price levels, and that no "permanent" price for gold will be established until its purchasing power is reduced by either a reduction in the dollar value of gold or an increase in the dollar value of commodities—or a combination of both factors.

TO continue unrestricted purchases of gold at \$35.00 an ounce is to increase the potential loss that may ultimately be experienced by the United States when the price of gold is stabilized by international agreement. The United States now holds \$12,414,356,000 in gold—over half the world's supply and far in excess of its monetary requirements—as compared with \$4,031,000,000 (26%) in 1931.

The billion odd dollars of "sterilized" gold, purchased in the last six months, will cost \$6,000,000 a year in interest charges. Further purchases of gold and the issuing of Treasury Bills adds to the drain upon a still unbalanced budget, raises the Federal debt, which now stands at the record high of \$38,400,000,000, and tends to force interest rates higher, thus possibly checking business recovery.

The flow to the United States may be diminished somewhat by tax legislation now in the making, by the steady reduction in the amount of hoarded gold, and by the elimination of the disturbed political and economic conditions which caused certain nations and individuals to transfer gold to the United States. Failing the conclusion of a monetary agreement with other countries and the cessation of the inflow of gold, the United States will be obliged to take more drastic measures.

NO "PERMANENT" price for gold can exist until the major nations of the world return to the gold standard and undertake to tender a definite amount of currency for a cer-

tain weight of gold. The Gold Standard ceased to function properly because of the dislocation of world trade resulting from the Great War. It is essential that the countries most concerned in world trade replace the present vicious tariff barriers and make-shift arrangements with co-operative undertakings. Other solutions to the gold problem would be attempted only after all efforts at international agreement had failed.

While it is unlikely that the gold producing countries would agree to any restriction of their production, it is probable that their governments or central banks would be asked to purchase a fair proportion of newly mined gold. To induce those countries, which now hold little or no gold, to acquire holdings, the nations having excess supplies and gold producing countries will likely be called upon to grant tariff concessions.

Is it reasonable to expect the "have not" nations to buy gold on the basis of \$35.00 an ounce when possibly they were obliged to liquidate the greater part of their gold reserves on the basis of \$29.67 an ounce? Would they be inclined to purchase gold in exchange for their goods if they were asked to deliver substantially more goods in payment for an ounce of gold than they originally received?

BY ALLOWING United States' commodity prices to rise, or to force such a trend by credit or monetary inflation, it would be possible—if the increase were sufficiently drastic—to compensate for the 69% increase in the dollar value of gold and stabilize its price of \$35.00 an ounce. As the general price level rose, foreign purchases of American securities, which legislation might fail to curb, would eventually be eliminated by the lack of business profits.

The inflationary increase in United States commodity prices would result in the \$35.00 received for an ounce of gold buying fewer and fewer goods. If the rise in American price levels was at a more rapid rate than a sympathetic rise in foreign commodity

per share. In October, 1936, the company called its \$3 cumulative preferred stock, which was convertible into common on the basis of 1 for 2 common. Over 97% of the outstanding 15,000 shares were converted with the result that the presently outstanding 110,000 common shares constitute the sole capital of the organization. Prior to the move to retire the preferred, the previous common stock in June, 1936, had been split 2-for-1. Present dividend rate of 50¢ quarterly compares with 40¢ paid October 1, 1936, and January 1, 1937, and the 75¢ quarterly rate paid on the old stock.

S. P., Three Rivers, Que. Officials of SPLIT LAKE GOLD MINES are of the opinion that underground development on the new property which they have acquired in the Bigstone Bay area, Lake of the Woods district, should quickly place a substantial tonnage of high-grade ore in sight and thus permit proceeding with plans for production. A prospect shaft is being put down on the No. 2 vein and an extensive exploratory campaign is to be carried out. Average of the first sampling of the No. 2 vein gave values of \$24 per ton across an average width of three feet for a length of 80 feet, according to Dr. J. F. Wright, geologist, and several other veins have been disclosed in the limited surface work so far completed.

R. P. N., Regina, Sask. With the payment on April 15 last, the quarterly dividend rate on the Class "A" shares of BRITISH COLUMBIA POWER CORPORATION was raised from 40 to 45 cents. The increase in the dividend naturally implies higher earnings, a fact that has already been clearly indicated in the progress of monthly earnings which, for the first 10 months showed an improvement of \$104,581 in the net amount available for the Class "A" shares of which 1,000,000 are outstanding. Assuming a final gain of around \$125,000 for the year, the amount for these shares would more than cover the year's full dividend and approximate \$1,767,000, or \$1.77 per share. Therefore, allowing for any possible final adjustments, an estimate of net at \$1.75 to \$1.85 would appear to be well-founded.

M. F., Beaverton, Ont. A further decline in earnings of ALBERTA PACIFIC GRAIN and other Canadian grain companies is indicated by the poor crop prospects at the present time and the fact that elimination of the wheat carry-over means that there are now no earnings on wheat storage in this connection. In the year ended June 30, 1936, the company reported operating income after depreciation of \$144,621 against \$171,523 in the previous year. Fixed charges were earned 0.92 times as against 1.03 times in the previous year. Expectation is that the annual report covering the fiscal year ended June 30, 1937, will show a further earnings decline. As the company did not meet the sinking fund payment on its bonds due June 1st, it is quite evident that payment of dividends on the preferred stock is entirely out of the picture at present. The company is paying bond interest (though not sinking fund) but it is questionable that bond interest will be maintained very long in the face of such adverse conditions for the grain industry.

M. J. G., Kingston, Ont. ADANAC GOLD MINES LIMITED, with 1,200 acres in Rouyn township, Quebec, was succeeded by ADANAC-QUEBEC GOLD MINES LIMITED, and the exchange basis is one new for two old shares subject to nod at the discretion of the Ontario Securities Commissioner. The property has been inactive since last December. Efforts are underway at the present time to secure new financing and if this is successful the intention is to commence diamond drilling. When work was stopped approximately 300 feet of cross-cutting had been completed on the 500-foot level, but I understand results were not up to expectations. It is believed however, that a favorable area lies about 200 feet ahead of the south crosscut and the proposed diamond drilling is for the purpose of testing the possibilities here. There is apparently no market for Adanac Gold Mines shares at present, but as you can make the exchange at any time you might retain your present stock in the hope that a market might develop.

J. F. R., Alliston, Ont. You have no reason for discouragement in regard to EASY WASHING MACHINE COMPANY. The company announced recently that its sales were approximately 30 per cent ahead of last year's, which seems to indicate the possibility of a further reduction in arrears (totaling \$1.05 per share as at July 1, 1937) on the 7%, par \$10, preferred stock. Dividends of 70¢ per share on this stock are cumulative from July 1, 1935, and an initial payment of 35¢ per share towards arrears was made on March 1, 1937. In 1936, dividend requirements were covered 4.8 times and while the gain in sales this year has not been fully reflected in earnings, nevertheless, it would seem that consideration could be given to a substantial reduction, and even a clearing-up, of arrears later on this year. Possibly one factor that is holding back disbursement at the present time or near future is that the company recently made an initial payment towards the purchase of the building in which operations have been carried on since 1934 and which has been occupied by lease.

prices, the American dollar would tend to fall in relation to foreign currencies.

But solving the problem by inflating the dollar—and reducing the purchasing power of both the dollar and gold

appears now to be a very remote possibility as it would require a complete reversal of the Administration's policy. In his inauguration speech on March 4, 1933, President Roosevelt stated that he aimed at "restoring the price level to about that of 1926 and thereafter providing America with money which should be stable in purchasing power through succeeding generations." His intention and power to control inflation is seen in the 100% increase in the Federal Reserve requirements, which went into effect in the past year, and his announcement this spring that certain commodity prices were too high.

THE opinion has often been expressed—perhaps it is a case of the wish being father to the thought—that the United States cannot afford to reduce the price of gold because this would entail a loss in the price of the gold already purchased at \$35.00 an ounce, and would be a deflationary measure which would lead to a general fall in prices and a disruption of business.

At the moment it is not strictly correct to value the gold holdings of the United States on the basis of \$35.00 an ounce because no other nation is committed to buy gold at that price or its equivalent in other currency. If the Treasury continues to pay \$35.00 an ounce and commodity prices increase drastically, it is probable that the price at which other nations are prepared to pay for an ounce of gold will be equivalent to \$35.00 and the United States will not have incurred any loss in dollars. The exact loss, if any, which the United States is incurring by buying gold at current high prices, will not be known until such time as the major nations agree to exchange their currencies for gold in a fixed ratio.

When the price of gold increased 69% in 1933, from \$29.67 to \$35.00 an ounce, there was no proportionate in-

(Continued on Page 21)

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Concerning Insurance CLAIM SETTLEMENTS

Rule of Good Faith Applies Alike to Insurer and Insured During Entire Term of the Insurance

BY GEORGE GILBERT

THAT the contract of insurance calls for the exercise of the utmost good faith on the part of the insured is emphasized frequently enough, but the fact that this requirement applies with equal force to the insurance company as well is not so often stressed. It should not be overlooked, either, that this rule of good faith is not limited to matters of presentation or concealment at the inception of the contract, but extends to the conduct of both insurer and insured while the contract is in force, including the period required for the settlement of any claim under the contract.

There was a case not long ago in which a well-known insurance company issued an automobile liability policy, providing coverage to an amount not exceeding \$10,000 for injury to any one person. Under the terms of the policy, the insurance company agreed to investigate all accidents and to defend all suits thereon in the name and on behalf of the insured, and reserved the right to settle or defend as it might elect any suit brought against the insured.

It was also provided by the policy that the insured should not voluntarily assume any liability, interfere in negotiations for settlement or in legal proceedings, or settle any claim without the written consent of the insurance company previously given.

In an action brought against the insurance company, the insured alleged that during the life of the policy their motor truck, operated in their business by one of their employees, accidentally ran down one Shover, seriously injuring him and crippling him for life. Notice of the accident was given to the insurance company which, after investigating, assumed entire and exclusive control of settlement negotiations with Shover.

It was further alleged that on September 28, 1929, Shover sued the insured for \$10,000; that in May, 1931, Shover offered to settle for \$10,000 and the insured urged prompt acceptance; that the insurance company's lawyers recognized that the suit was a dangerous one and that settlement should be made, but were unable to secure the consent of the insurance company's local agent.

Repeated demands were made by the insured that settlement be effected, but the insurance company took no action until August, when it agreed to settle for \$10,000, but was advised that on account of the proximity of the trial of the action by Shover against the insured, which was set for September, the offer had been withdrawn.

In September, it appears, the insurance company's agent conceded that the damage suit was a serious one, and that in all probability recovery would be had for an amount far in excess of \$10,000. He declared that the insurance company was willing to pay the full coverage, but advised the insured that if they owned any real estate in their own names to immediately convey such property to their respective wives so as to place it beyond the reach of judgment.

It appears that the insurance agent also urged the lawyers of the insured to make the best settlement possible to protect their clients, but the insured were advised that they were precluded under the policy from acting without the written consent of the insurance company. Written consent was promised, but though repeatedly requested was never forthcoming.

No settlement was effected, and the damage suit resulted in a verdict against the insured in the sum of \$22,500. The insurance company paid the amount of its policy liability with interest and costs, and the balance of the judgment was paid by the insured who then brought suit against the insurance company to recover the amount of the judgment less the amount previously paid by the insurance company.

AT THE trial judgment was given sustaining the demand of the insurance company, and the insured appealed. In reversing the order of the District Court of the United States for the Western District of Tennessee, the Circuit Court of Appeals, Sixth Circuit, held that had faith on the part of the insurance company toward the insured in the settlement negotiations constituted grounds rendering the insurance company liable for the full amount of any judgment obtained against the insured, and that the allegations of the complaint were sufficient to state a cause of action.

It was held that in cases where the liability of the insurance company is limited to a certain amount, the insurance company may so conduct itself as to be liable for the entire judgment recovered against the insured although the judgment exceeds the limit of liability stated in the policy.

Where an insurance company has reserved the right to settle or defend a suit brought against the insured and where the insured has been for bidden to enter into negotiations for

settlement without the written consent of the insurance company, such insurance company, it was held, may become liable to the insured for the entire amount of any judgment recovered against the insured although in excess of the policy limits, on the theory of bad faith in the settlement negotiations, but not on the theory of negligence or breach of implied contract.

It was held that the complaint stated a cause of action for the full amount of the judgment paid by the insured, on the ground of bad faith on the part of the insurance company in the settlement negotiations and in failing to settle. As the policy contract specifically forbade the insured to settle with any claimant without the written consent of the insurance company, the insured was not required to rely on the oral authority for settlement.

IN ANOTHER case, a woman took out a fire insurance policy in one company for \$3,000 on the stock of goods and fixtures in her store, and another policy for \$1,500 in a different company on her household goods, furniture, clothing, etc., in her dwelling which was in the same building as the store.

While the two policies were in force a fire occurred which practically destroyed the property insured under both policies. The insured filed formal proofs of loss, and subsequently a representative of an adjustment bureau acting for both companies obtained the signatures of the woman and her husband to an agreement in which it was stipulated that the loss and damage occasioned by the fire was \$1,350 on stock and fixtures and \$1,000 on the household goods.

Later the alleged agreement was repudiated by the insured, and suits were brought on the policies. At the trial the representative of the adjustment bureau testified that he had authority to make an adjustment of the loss and to bind the insurance companies. It was undisputed, however, that before the alleged agreement had been signed by the representative of the adjustment bureau or by anyone on behalf of the insurance companies, the insured notified the agent and the companies that she would not be bound by it nor accept the sums stated in it as full payment of her loss.

THERE was evidence that the woman's husband had had actual charge of the carrying on of her store for seventeen years and had bought for her the fixtures in the store and the goods which formed her stock in trade. Over objection, he was allowed to testify as to the value of the fixtures and the stock in trade at the time of the fire. He had also bought the household furniture and knew its cost and the length of time it had been used. The insured and her two daughters had bought the clothes and were familiar with the length of time they had been in use and their present value. They were permitted to testify as to the value of the clothing.

At the trial verdicts were given in favor of the insured for \$2,028.95 on the policy covering the stock of goods and fixtures in the store, and \$1,581 on the policy covering the household goods, furniture, clothing, etc. From the judgment on the verdicts, the insurance companies appealed. It was held on appeal that under the uncontradicted evidence the alleged agreement was not signed by any agent of the insurance companies at the time the insured notified the agent that she would not be bound by it nor accept the sums stated in it as full payment of her loss.

It was further held that the insurance companies could not be bound by the agreement until it was signed by their duly authorized agent, and that the insured was not bound if she withdrew before the insurance companies became bound. The insurance companies were not harmed by the submission to the jury of the question whether the settlement agreement had been made and completed, as the question might have been decided by the court adversely to them under the evidence.

It was held that the rule that an owner may testify as to the value of insured goods will be interpreted as including the husband of the owner where he bought the goods for her and was familiar with the costs, the time when obtained and the condition of the goods at the time of the fire. The testimony of the husband as to the value of the insured fixtures and stock was held to be properly admitted.

VALUE OF ADJUSTER'S WORK

AT THE recent meeting of the Pennsylvania Claim Men's Association, the first speaker, J. C. Heyer, Vice President of the Metropolitan Casualty Company of New York and the Commercial Casualty Company, measured the value of an insurance adjuster and his importance not only to the company for which he works but to the man who pays the premiums. After pointing out that Casualty Companies in the United States and Canada paid losses amounting to \$108,624,969 in 1935, the equivalent of 37.6 per cent of the premium income which amounted to \$281,862,252, Mr. Heyer declared that when nearly a half billion dollars is passed out to claimants the authority and responsibility of the adjuster is clearly evident.

"A claim man can make himself extremely valuable to his company in both protection and underwriting so please do not harbor that feeling so many acquire which gives them the impression of being an essential



HON. G. HOWARD FERGUSON, who was recently elected President of the Crown Life Insurance Company in succession to the late Rt. Hon. Sir Robert Borden. Mr. Ferguson was Premier of Ontario for many years, and from 1930 to 1935 was High Commissioner for Canada in London, England.

expense in our great business," he concluded. "Make your work register. Look beyond your field and cooperate with all departments to the end of improving production and underwriting results in the territory in which you operate."

The last speaker was Robert R. Dearden, Jr., of Philadelphia, President of the United States Review, whose subject "Is the Trend Away from Lay Adjusters?" was of timely interest to the claim adjusters. He pointed out that some states require claim adjusters to be lawyers, but he added that there is a clear line of demarcation between the legal profession and the business of adjusting claims.

"Very broadly I can see nothing alarming in the present agitation (that only legally trained men should serve as adjusters). It is merely an incident in the great business of insurance. In spite of it may be troublesome but in the end it will be all thrashed out and I do not think the claim adjusters will be in anyway the losers. It will bring about a more sharp line of demarcation between the adjusting field and the legal field. It portends anything for the claim adjuster at all it means most of all still better claim adjusters. It may be in the future that some claim adjusters delegated to handle compensation cases will be fully qualified in the courts of law. . . . primarily a man must be a claim adjuster. He cannot be a lawyer and a claim adjuster. . . . I see no reason to think the lay claim adjuster will disappear. His work is too valuable and the major part of it precedes any requirement for consideration of court practice at all."

CONFEDERATION NEW BUSINESS LARGEST IN SIX YEARS

CONFEDERATION Life Association representatives in 23 countries celebrated the 61th birthday of President C. S. Macdonald by writing nearly \$5,000,000 in new business for the month-long campaign preceding his birthday, July 11.

"The new business, amounting to \$22,183,854 for the first six months of 1937, and \$1,598,012 for the month of June, is the highest in six years—Canada, Great Britain, Cuba, West Indies and Far Eastern agencies register increases of substantial amounts, indicating that the gain is general, both at home and abroad," declared C. D. Deakin, general superintendent of agencies.

JOINS EQUITABLE LIFE AS FIELD SUPERVISOR

THE Equitable Life, Waterlool, announces the appointment of M. R. Kenny as Field Supervisor. Mr. Kenny has had an excellent background in the insurance business in Montreal, Toronto and Western Ontario. Following graduation from the University of Toronto, he represented the universities of Canada in the first debating tour of Great Britain. He has also had five years' experience in the investment business in executive and advisory capacities. He will assist in the expansion of the sales staff of the Equitable Life.

GROUP INSURANCE FOR DANISH MESSENGERS

FROM Denmark comes the report that as a result of so many instances of messenger boys disappearing with the money entrusted to their care, it is proposed to take out a group policy to cover the risk. The insurance will cover all delivery firms which are members of the organization taking out the policy. It will insure not only money entrusted to messenger boys, but also goods transported by them, against the risk of damage or loss.

IMPORTANCE OF GOLD PRODUCTION STRESSED BY BRITISH CHAIRMAN

SIR CORNELIUS THOMSON, Chairman of the Employers' Liability Assurance Corporation, Limited, emphasized the importance of gold production in the prosperity of Canada and South Africa during the course of his address at the annual meeting of the Corporation in London recently. He said:

"Canada Economic changes in Canada usually follow those of her neighbor fairly closely, but fluctuations are less extreme, and this was

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the case in 1936. Business conditions continued to improve throughout the year. The lack of confidence engendered by the actions of certain provinces and cities regarding their financial obligations has, I am glad to say, been somewhat allayed by the feeling that the Dominion Government will not countenance such defaults. In spite of the annual loss on the Canadian National Railways, and the demand for funds for relief, the recent Canadian Budget disclosed an improved position, though it still showed a deficit. The production of gold has been an increasing factor in the economy of Canada, and was of great assistance to her during the depression. The output has doubled during the last ten years, and was valued in 1936 at \$26,000,000, accounting for 19 per cent of the exports. In gold production Canada is now surpassed only by South Africa, and probably Russia.

South Africa, South Africa has been the most prosperous country in the world since she went off gold at the end of 1932, thereby, through a stroke of the pen, increasing the selling price of her chief export by about 30 per cent. Since that time the country has benefited by a largely increased export trade, greater internal wealth, large Budget surpluses, reduction of debt, and only a limited increase in prices. It is true that South Africa is dependent to a unique extent on one industry, but the prosperity of the gold-mining industry seems to be for the present, solidly based on a profitable price for its output."

LIFE INSURANCE SALES INCREASE IN CANADA

WITH total sales in Canada and Newfoundland of over \$192,000,000, new ordinary life insurance business for the first six months of the current year showed an improvement of over 6 per cent., compared with the same period in 1936, and sales for June last, compared with June a year ago, were up over 20 per cent. Every Province in the Dominion, except Alberta, shared in this better business, Ontario leading in volume of sales for the six months with a total of over \$86,000,000, while the highest percentage improvement in the period was recorded in Newfoundland.

Detailed sales by Provinces from January, 1937, to June, 1937, inclusive, based on returns by eighteen companies having 87 per cent. of the total insurance in force, exclusive of group insurance, annuities, pension bonds without insurance, reinsurance, revivals, etc., were as follows:

British Columbia \$11,829,000; Alberta, \$7,192,000; Saskatchewan, \$6,118,000; Manitoba, \$9,533,000; Ontario, \$86,498,000; Quebec \$54,400,000; New Brunswick, \$1,949,000; Nova Scotia, \$6,888,000; Prince Edward Island, \$710,000; Newfoundland, \$1,649,000. Sales for June totalled \$37,658,000, as follows: British Columbia, \$2,993,000; Alberta, \$1,394,000; Saskatchewan, \$1,350,000; Manitoba, \$1,835,000; Ontario, \$15,958,000; Quebec, \$11,129,000; New Brunswick, \$1,070,000; Nova Scotia, \$1,435,000; Prince Edward Island, \$152,000; Newfoundland, \$312,000.

GREEK SCHEME FOR NATIONALIZATION OF INSURANCE

IT APPEARS that the Greek Government have been considering a scheme for the nationalization of insurance business. Under the existing foreign companies in Greece were to be allowed to continue in business but were to be required, as in the case of native companies, to reinsure 15 per cent. of their business with a Government institution. It is understood, however, that British representations have been made against this scheme which is considered detrimental to large British insurance interests in Greece, and that a similar protest has also been made by the Swiss Government. There are at present about 100 insurance companies operating in Greece, of which only 15 are home companies, 13 British and seven Swiss. The latter have an annual premium income of £1,200,000. The Swiss companies complain that they have already lost £7,500,000 by depreciating of Greek investments, and that the clearing system is not functioning properly between the two countries.

INSURANCE OF RENTS IN ITALY

IN ITALY the Unione Compagnia Assistenza Automobilistica has been authorized to extend its activities to the insurance of rental and other costs of property owners, including the non-payment of rents by tenants. The latter form of insurance is considered especially important from a building point of view, as it removes the risk of bad debts "left behind" by undesirable tenants.

INSURANCE INQUIRIES

Editor, Concerning Insurance: Could you please advise me if The Lumber Mutual Fire Insurance Company of Boston, Mass., is a good company to insure with. Any information you can give me will be appreciated.

J. R. Ayl, Ont.

The Lumber Mutual Fire Insurance Company of Boston, Mass., with Canadian head office at Ottawa, has been doing business in Canada under Dominion registry since 1931. It is regularly licensed in this country, and has a deposit with the Government at Ottawa of \$117,700 for the protection of Canadian policyholders exclusively.

At the end of 1936 its total assets in Canada were \$159,942.42, while its total liabilities in this country amounted to \$52,466.51, showing a surplus here of \$106,575.91. All claims are readily collectable, and the company is safe to do business with.

Editor, Concerning Insurance: I would like to place part of my savings in some form of safe investment.

As I am just an average working man, and feel that I must put my money where it will be to my best advantage, some friends have advised me to invest in a Canadian Government Annuity. Would you advise this for the average individual?

L. B. H. Kitchener, Ont.

If you have no dependents to make provision for in case of your premature death, and if your sole object is to secure the largest amount of future income for the amount presently deposited, you will be making no mistake if you use part of your savings for the purchase of a Government annuity.

There are certain features of a Government annuity to which consideration should be given by intending purchasers. There is no privilege of withdrawing any part of the money paid in at any time. That is, there is no cash or loan value in the contract. If the purchaser of a Government annuity on the installment plan cannot keep up his payments, he does not lose what he has paid in, but his annuity is reduced by a proportionate amount. However, once the money is paid in to the Government, the only return is by way of the annuity.

While this feature of a Government annuity has distinct advantages in many cases, as it absolutely prevents the loss or dissipation of the annuity money, and ensures that it will be used for the purpose for which it was intended—the provision of an income in later life—in other cases it may be a disadvantage not to be able to borrow or withdraw any of the money at a time when it may be urgently needed.

If purchasing an annuity from the Government on the installment plan, that is, a deferred annuity, I would advise selecting Plan A. Under that



BRITISH POWER SCHEME COMPLETED. The \$15,000,000 hydro-electric power scheme in Galloway, carried out to provide electricity for southern Scotland and northwest England, is now practically completed. Two thousand men from all parts of England worked for five years on the undertaking. Seven reservoirs and seven dams have been made, aqueducts built and miles of pipe laid, while an artificial lake 2½ miles long has a storage capacity of 900,000,000 gallons. There are five power houses. The photograph shows the artificial lake and the big dam and power house at Carlisle.

PREFERRED STOCK—FACT OR NAME?

(Continued from Page 17)

the prior claims of the bondholders and also recognizes the claim of the present preference and common shareholders to share in the equity of the reorganized company. Further, it stated: "The settlement as between the company and the bondholders' protective committee of the terms offered to the bondholders was arrived at after extended negotiations and after consultation with representatives of preference shareholders and common shareholders. In the opinion of the directors, the terms proposed leave for distribution between the preference shareholders and common shareholders the maximum portion of the equity which the directors consider could reasonably be expected having regard to the inability of the company to meet its obligations to the bondholders and all other circumstances. The proposed basis of distribution of the 247,500 new common shares among the holders of the existing preference shares and common shares has, after careful consideration, been approved by the board of directors."

The parts in *Italo* have been selected by the writer of this article, because they bear out these two points: First, that the deal was arranged with bondholders by negotiation, but with preference shareholders by consultation—an indication of the effective organization of the former as compared with the latter; and second, that the settlement with shareholders was on the basis of sharing rather than priority.

The plan gave to the holders of 150,000 preference shares, which had a prior claim to the extent of \$20,850,000, just 187,500 of the new common shares, while it gave to the holders of the 120,000 of old common shares, which were junior to the preference in every way, no less than 60,000 of the new common shares. The net result is that the preferred claim drops to a mere 75 per cent. in the distribution, and the junior claim rises to a 25 per cent. interest.

The current market for new Steamships common stock is about \$3 per share. This gives the holder of former preference a new value of just \$2.75 for each former preference share, while old common stock is now represented by \$1.50. No matter what price may be reached by the new common stock, the relative values of the units distributed will be the same. It plan, in case of death before the commencement of the annuity, the amount paid in would be returned to your heirs with four per cent. compound interest.

An annuity contract may be purchased from a life insurance company, with cash value and loan privileges, under which money up to the amount stated in the contract may be borrowed or withdrawn after a certain number of years should the necessity arise. The cost of such a contract would be about the same as that of a Government annuity of the type referred to above.

Editor, Concerning Insurance: Please give me the standing of the North American Life Assurance Company. Have been told that it is not in a strong financial position.

S. I. H. Kivikoski, Ont.

North American Life Assurance Company occupies a strong financial position, and is safe to insure with. It has been in business since 1881, and operates under Dominion charter and registry, with a Government deposit at Ottawa of \$63,900 for the protection of policyholders.

Until 1931 it carried on business as a stock company, with a guarantee capital, but in that year it was mutualized by the payment to the holders of the \$200,000 of paid-up guarantee capital of the sum of \$1,275,000.

At the end of 1936 its total admitted assets were \$51,845,910, while its total liabilities amounted to \$53,055,080, showing a surplus of \$1,209,830 over all liabilities. Its total income in 1936 was \$11,580,367, and its total disbursements were \$7,618,369, showing an excess of income over disbursements of \$3,961,998.

brings the old preference holder right into the common stock class, while the old common stock holder remains in that class on just a slightly lower plane.

IT MAY be said that the arguments in the Canada Steamships and similar cases which might be cited are useless now that the deals are made. That is true enough. But they provide a lesson for the future. And a parallel is now in the public eye. This is the Abitibi Company.

Several plans for reorganization of Abitibi Power and Paper Company Ltd., which has been operated under receivership for some years, are now up for consideration. Before examining them, let us first survey the existing set-up. It is as follows:

Bonds, 5 per cent. first mortgage, interest unpaid since 1931, \$48,267,000. Preferred stock, 7 per cent. prior, dividends unpaid since 1931, 10,000 shares of \$100 par value, amounting to \$1,000,000.

Preferred stock, 6 per cent. junior, dividends unpaid since 1931, 348,818 shares of \$100 par value, amounting to \$34,881,800.

Common stock, 1,088,117 shares of no par value, represented in the balance sheet of December 31, 1936, by an entry of \$18,961,935.

The fact that all dividend and interest payments were suspended with in the one year, 1931, is an incidental object lesson in the slight value of priority as a means of maintaining investment income in a time of depression. The dividend on the 6 per cent. junior preferred was dropped from March 31. That is a large issue involving a heavy payment, and therefore likely to suffer in hard times. But the holders of the relatively small issue of 7 per cent. preferred, who required only \$70,000 a year, experienced the same fate just six months later in the same year. And payment of bond interest itself ceased after December 1.

The book entry of \$18,961,935 for the common stock of course is no indication of real value or equity to that amount. The troubles of the company have been due to lack of ability to earn, in the depression at least, enough to pay bond and preferred charges, and where there is no earnings in the long run there is no asset value either. Conditions would have to change tremendously to give the common stock a real asset value. If Abitibi's book assets of \$122 millions were to be liquidated, the net proceeds would have to be applied in the following order:

Bond claims, principal and accrued interest \$65,000,000.

First preferred, par value and dividend arrears, \$1,000,000.

Second preferred, principal and dividend arrears \$18,900,000.

Common stock, balance if any.

Thus net proceeds of say \$75,000,000 would pay bond claims and first preferred claims in full, and about \$25 on each of the 348,818 shares of junior preferred, but nothing at all on the common. That illustrates the real significance of priority when assets shrink.

SHOULD this principle be discarded entirely, merely because the concern is to be continued under a plan of recapitalization? There seems to be no real basis for radically changing the order or relative standing of one security as against another, just because the whole scale has been written down.

Yet that is what we find in the schemes for refinancing of Abitibi. Up to the time this is written, no less than three such plans have been preferred, and that of the bondholders' committee is still to come. For the subject matter of this article we can pass over the provision made for the bondholders with the mere comment that all the plans fully recognize their priority to the extent of both principal and back interest, by providing new senior securities to cover such claims practically in full. But all the plans propose to put the three stocks in the same boat as to quality of new security, and to make such trifling distinction between the first and the second preferred as to disregard entirely the fact that the position of the

former is immensely ahead of that of the latter.

Here are the numbers of shares of new common stock which are proposed to be given in exchange for each share of old stock:

	Plan 1.	Plan 2.	Plan 3.
7½ per cent. —	14½	3	5
6½ per cent. —	14½	2½	1½
Common —	1 to 10	3½	1 to 5

There seems to be wide enough discrimination here between the preferred stocks on the one hand and the common stock on the other hand, the ratios per share between the junior preferred and the common varying from twenty to one (Plan 2), to forty-two and one-half to one (Plan 1). At the same time it should be noted that the senior preferred, which stands high up the list in present priority, and which would be fully covered while the common stock received nothing under liquidation for such an amount as \$75 millions for instance, will get but a small proportion of the new common stock.

The great disparity, however, is between the treatment of the first and the second preference stocks. Not content with giving them the same kind of new security, these plans provide such minor difference in quantity that existing priorities are almost totally ignored.

The number of shares of new stock to be distributed in exchange for each class of present stock would be respectively as follows:

	Plan 1.	Plan 2.	Plan 3.
7½ per cent. —	17,500	30,000	50,000
6½ per cent. —	1,482,477	82,047	159,981
Common —	108,812	136,013	217,623

No matter what value may be obtained by the new common stock, the holder of the old 7 per cent. preferred, who perhaps paid for it at a time when it looked secure while the junior preferred was doubtful and at a discount, will find himself very little better off than is the one who took the cheaper issue.

THESE reorganizations of proposals should not be taken as typical of all such schemes, however. There have been many in which preferences have been maintained, even though a particular stock was pushed down the line through the creation of enlargement of prior claims as a result of failure to meet bond interest, or as a result of accumulation of current debts. There have been others in which different classes of security were met by a single new issue, but in such proportions as to meet satisfactorily the distinctions which had existed.

The first is illustrated by a plan just completed for Great West Sundry Co., Ltd. Under this plan holders of the old first preference stock receive for each share, one share of new first preference, plus three shares of new common; holders of the old second preference receive 4½ of a share of new second preference plus two shares of new common; and holders of the old common receive 2½ share of new common.

The second is illustrated by the reorganization of Asbestos Corporation Ltd. some years ago. Under this plan holders of old general mortgage bonds received, for each \$1,000 par value, 15 shares of new common stock; holders of old preference stock received, for each \$1,000 par value, 1½ shares of new common stock, and holders of old common stock received 1½ new shares for each 50 shares of the old stock held. Many other illustrations of both kinds could be cited.

A PLAN for International Paper and Power involving a sacrifice of preferred rights similar to those cited, drew some caustic comment when it was brought before the Securities and Exchange Commission of the United States. This company has wide interests in Canada, and has numerous Canadians among its shareholders.

The official plan proposes that preferred shareholders should remain in a preferred position in the future but that their dividend rate be lowered, and that accumulated arrears be cleared off by means of common stock and by issue of conversion rights. One of the commissioners made the

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BUILDING NATIONAL WEALTH

A POPULAR error nowadays is to refer to the Nation's economic mechanism as if it were a physical machine of wheels and levers. Actually, the processes of economies are not mechanical at all. They depend entirely on human behavior.

The factories and farms which produce the wealth of this free country are managed by millions of independent individuals, actuated by all varieties of personal motives. They are responsive to the whims and wishes of the millions who spend the Nation's income. The personal element dominates everything. This is the reason for the great importance of advertising in the course of business and economic development. Advertising stimulates consumer buying, the mainspring of industry. Nothing is more clear than that the volume of production is governed by the volume of buying. And when production increases, it means that more wealth is being created.

National wealth is usually expressed in dollars. Really it consists mainly of natural resources and goods which have been produced by industry. The natural resources are mostly in the ground, placed there by nature when the earth was young. The man-made wealth includes buildings, tools, machines, and living organizations. This wealth owes its value to the fact that it is useful, either for consuming purposes or in producing more goods and services.

The only way in which national wealth can be increased is through greater production. Obviously the original gifts of nature cannot be enlarged. The works of man can be increased only through greater industrial activity. It takes action to make progress.

At present, the bottleneck of progress is in our ability to distribute goods rather than in the capacity to produce them. Everybody knows that now. Greater prosperity will come through better distribution of what we are already able to produce. Since the economic process cannot be operated like a mechanical conveyor system, the needed stimulation must be applied to the human elements.

Advertising and selling are prime movers in the distribution system. They connect the operations of production plants with the men and women who go into stores with their pay envelopes. These people buy on a purely personal basis, but their buying affects the whole system, eventually contributing to the growth of national wealth.

Advertising exerts a very important influence on the buying of consumers and upon the purchases by one industry from another. It speeds up these transactions, causing purchasing power to circulate more rapidly than it could without the beneficial stimulation of advertising. This increased rate of activity naturally builds up all parts of the economic system through greater production and greater employment. The net effect is a larger national income.

As an agent in the production of wealth, advertising contributes far more value than the amount of its cost. Advertising performs a very necessary part of the work of distributing commodities to consumers which is just as important as producing them. That is one of the significant facts about advertising. Besides providing an indispensable service for consumers, it helps the Nation to grow richer and stronger.

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following comment, which sums up, perhaps verbosely but none the less truly, the weakness in preferred stocks when it comes to reorganization.

It is difficult to observe without some concern the extent to which stockholders, in many companies, who in good faith believed they were paying their money for a genuinely preferred position, have, through reorganization of perfectly solvent companies, been reduced to the position of common stockholders, such as this, through the fact that the leverage of common stock

holdings, even if they are not, are reduced, elbowed and traded out of their lead rights. Although we must recognize that often, especially in failing enterprises, various changes in stockholders' rights and various concessions become necessary, nevertheless, it seems to me, there should be an emphatic recognition that the terms of preference stated in preferred stock certificates mean what they say. If not, it should not be permitted that they be called "preferred."

WILL GOLD PRICE FALL OR COMMODITIES RISE?

(Continued from Page 19)

crease in the American price level, and there would be no logical reason for prices to fall if the price of gold were now reduced. If, however, it appeared that a reduction in the price of gold would, due to psychological reasons, lead to a fall in the general price level and a consequent shock to business, it would be quite possible for the Administration to completely offset this tendency by a reduction in the Federal Reserve requirements and even by some degree of monetary inflation.

IT IS UNLIKELY that the United States would stop buying or selling the price of gold, unless it was obliged to do so as a last resort and it had been impossible to make any settlement with other nations. Either step would cause a decline in the London price of gold bullion, which in recent years has been based upon the United States bid of \$35.00 an ounce. The holders of gold, who are believed to hold approximately forty million ounces, would scramble to unload their holdings. Complete stoppage of purchases by the United States would leave gold to find its own price level in the same way as does any other commodity.

This step would also precipitate a wave of selling. So far as Canada and other gold-producing countries are concerned, the results would be as disastrous as though United States did continue all purchases or reduced the price of gold without first obtaining the support of other nations. In those circumstances would Great Britain be caused to let gold-producing Dominions

and her stakes in world trade, step in to buy gold? At what price and for how long could she maintain a "bid," having in mind that she now has all the gold required for her monetary purposes and that further purchases would increase her debt and already burdensome taxes?

By placing an embargo on the importation of gold, the United States purchases would be greatly reduced and her potential loss, incurred by paying a high price for gold, would be much less than if she continued her present policy of unrestricted buying. As the Treasury would continue to pay \$35.00 an ounce for newly mined gold, there would be no complaints from domestic gold producers.

While the declaration of an embargo upon the importation of gold is a possibility, such drastic action would not be taken unless all other efforts had failed to stop the flow of gold into the United States or to effect an agreement between the major nations of the world.

It would be possible to stop the inflow of gold and to stabilize its price at \$35.00 an ounce if Mr. Roosevelt's Administration discarded its policy of managed money and permitted and possibly encouraged a sufficiently inflationary increase in commodity prices.

The rise in prices would reduce the purchasing power of both gold and United States dollars. If the increase in the American commodity prices was not reflected by a comparable rise in the general price level in other countries, the American dollar would tend to depreciate in terms of foreign currencies.

PLANNING FOR NEXT FEW YEARS

Governments Should Endeavor to Shape Policies Now to Diminish Economic Difficulties That Lie Ahead

BY H. D. HENDERSON

(From the Monthly Review of Lloyds Bank Limited, London)

THERE has been a marked increase in recent years in what may be called "trade cycle consciousness." Prudent men of business have always recognized, of course, that good times do not last for ever. But few of them, until lately, thought of the course of trade, after the manner of the professional economist, as a rhythmic series of causally-connected phases. To-day, however, the number of people who think in this manner, and who allow their mental picture of the trade cycle to determine their judgment of business prospects is very considerable. There is some gain in this; but there is also some danger.

There is first the danger that the new trade consciousness may itself intensify instability. The wave of speculative buying of a few months ago, and the sharp and premature rise of wholesale prices that ensued were partly due to the belief that we had entered on the boom phase of the trade cycle. This particular development has been brought to an abrupt end by a series of unexpected episodes. But the more formidable possibility remains that a widespread conviction that a severe slump is inevitable because many years have passed, and the consequential desire to "get out" of ordinary shares before the deluge and to be as "liquid" as possible when it occurs may serve to aggravate the next depression.

There is a danger, too, in the field of policy. Doctors may be led by general trade cycle considerations to recommend prescriptions which are not really appropriate to the situation that actually confronts us. The trade

cycle, though a real, is far from being a standardized phenomenon. The present trend of trade is peculiar in several important respects, and suggestions with regard to policy, if they are to be helpful, must be based on an appreciation of these peculiarities.

IN THE pre-war period trade depressions in Great Britain were usually attributable to setbacks in international trade. So was the great depression from which we have just emerged. We have no reason to fear serious trouble from this quarter during the next few years. It is possible, of course, to imagine unfavorable developments which might disturb particular markets overseas. But a general and early setback in international trade and international investment is highly unlikely, if only because there has been as yet so small a measure of recovery in these branches of our economic life.

On the contrary, with the improvement that may fairly be expected in the domestic activity of many countries, including the United States and France, it seems more likely that a steady expansion in the volume of international trade may serve to mitigate in some degree a decline in production for the British market. For this is the quarter from which serious danger threatens in the next few years.

The danger from this quarter is real and clearly defined. The output of the constructional industries for the British market is proceeding at an abnormally high level, and it is very difficult to see how so high a level can be sustained for many years longer. Among the major causes of the present high level of constructional activity are, first, the private house-building boom, which played so large a part in the early phases of our recovery, and second, the program of rearmament.

Both these influences are fundamentally ephemeral. It is, indeed, remarkable that the house-building boom should have continued for so long as it has done. We have been building new dwellings for many years past on a scale that far exceeds the growth in the number of families. Thus the demand that arises from a higher standard of living and from a desire for better or more modern homes must be now have been largely satisfied. Meanwhile the growth in the number of families, which depending as it does on the birth-rates of some twenty-five years earlier has till lately been fairly rapid, may be slowing down fairly rapidly. If trade remains good there may still be a few years to run before the demand for new dwellings reaches saturation. But it seems most unlikely that a demand of anything like the present dimensions would survive the onset of a trade depression.

THE inevitability of an eventual decline in the current level of capital expenditure in connection with rearmament is even clearer. The sums which the British government is now spending on armaments are so large that the attempt to defray them from current taxation has been frankly abandoned, and £80 millions a year are to be borrowed over the next five years. The borrowing policy is defended on the ground that this portion of the expenditure is likely to prove non-recurrent. It follows that we must expect a reduction of about £80 millions a year in the Government's expenditure on armaments in a few years' time. But this is not

all. The rearmament program must be the cause of considerable capital outlay by contractors, only part of which enters into the figure of government expenditure and again by other firms who in their turn supply the government contractors. This capital expenditure by private concerns is also destined to undergo a large curtailment before very long. Indeed, it is not unlikely that it may already begin to decline well before the government's expenditure falls off.

Thus, before many years have passed we must expect a large decrease in the capital expenditure associated directly or indirectly with rearmament, and a large decrease also in the volume of private house-building. It is extremely difficult to see how a general trade depression can then be avoided. How severe it will prove will depend on circumstances which it is less easy to foresee. If the decline in armament expenditure were to be fairly sharp and sudden, if it were to synchronize with an equally sharp and sudden decline in housebuilding, and if at the same time the trend of overseas markets is unfavorable, the depression that would result, though it might be long-deferred, would be formidable in the extreme. But it seems probable that the government's expenditure on armaments will taper off very gradually. It is not unlikely, as has just been suggested, that the decline in the capital expenditure incurred by private armament concerns will begin while the government's expenditure is still on the upgrade; and it is possible that private house-building will begin to sag slowly at a still earlier date. If the process is thus drawn out over a considerable period, its character may be much less catastrophic. Moreover, it is possible that the course of international trade will be a helpful rather than an adverse influence. It would be idle to carry these speculations further. On the most optimistic view, the situation by which we shall be faced in a few years' time will be sufficiently serious.

IT IS IMPORTANT, therefore, that we should consider in good time the problems that are likely to arise. I suggest, in this connection, that it

would be useful to turn our minds now to the question of how far the difficulties of the next depression might be mitigated by the establishment of a shorter working week on lines thought out carefully in advance. But it is certainly no less important that we should shape our policy in the meantime so as to diminish the difficulties that lie ahead.

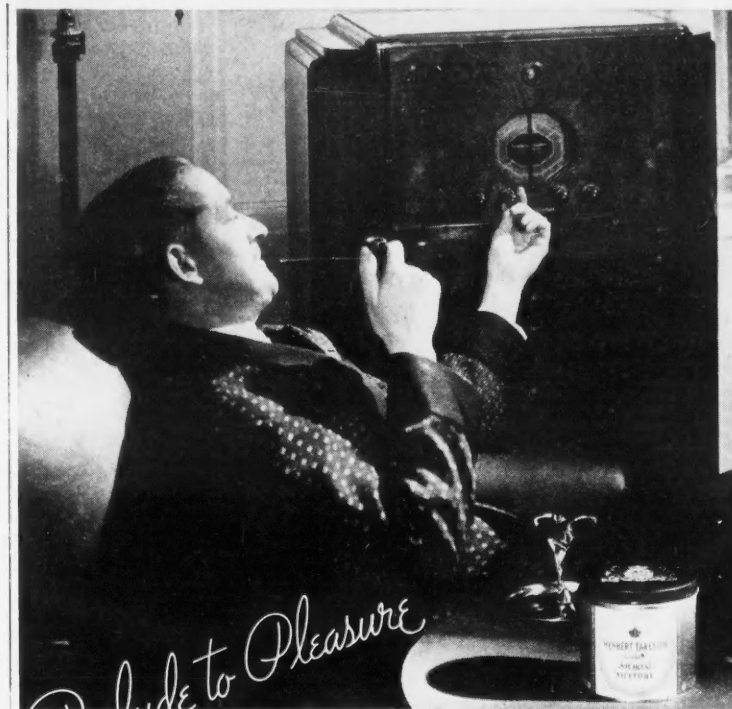
One precept is fairly obvious. Public work schemes which are being undertaken or may be undertaken in the next few years, but which are not really urgent in character and are capable of being postponed without any serious disadvantage, should be postponed until there are signs that the depression is upon us. This is desirable from every standpoint. A reduction in the volume of public works expenditure at the present time would help to check the over-expansion of the constructional industries, and it might do something to prevent an undue rise in the prices of constructional materials. On the other hand, it would be an immense advantage when depression begins to have available a large number of sound and useful public works projects which could be quickly put in hand.

Stated in general terms, indeed, this proposal is one which will command fairly general assent. The only doubt is as to how far it is capable of practical application. Most public work schemes are designed to fulfill purposes which do not admit of prolonged postponement, and it might prove that the amount of work which could be properly be, as it were, hoarded up in this way for the future is comparatively small. It is of real importance, in my judgment, that this question should be thoroughly explored.

Closely associated with it, though raising somewhat different issues, is the question of how far it is practicable to make preparation now for additional schemes of public expenditure which can be put into operation in time of depression. Here also there is need, as it seems to me, for prompt investigation. The difficulties which lie ahead may prove so serious that we cannot afford to leave blunted through neglect any instrument which may later be of service.

Again, I am in agreement with those who take the view that it would have been wiser to have raised a larger portion of our expenditure during the next few years from taxation and to have relied less on borrowing. There seems now little chance that this prescription will be applied.

BUT other suggestions are sometimes made which it is necessary to scrutinize very closely. It is argued that depressions are caused by the booms which precede them; that to check the development of a boom at the present time must, accordingly, be our chief means of averting a subsequent depression, and that the only



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really efficacious way of checking a boom is to secure a rise of interest rates to whatever level may be necessary for the purpose. I have stated this argument shortly and crudely and there are probably few who would endorse it in this form without considerable qualification. But many are influenced by reasoning which follows these general lines. This is the type of reasoning of which I doubt the applicability to our existing conditions.

I should agree that circumstances may arise during the next few years in which a rise of interest rates may become essential. If, for example, a so-called "vicious spiral" were to develop in which prices and wage rates threatened to chase one another upwards, nothing but harm could result from an attempt to keep interest rates



T. H. DICKINSON, C.L.U.

An announcement of considerable interest in a large life insurance clientele in the City of Toronto served by Mr. T. H. Dickinson has just been made by the Head Office of The Mutual Life of Canada. Mr. Dickinson, a member of the Bay Street Agency, has again led the entire sales force of the company and attained the Presidency of the Quarter Million Club which closed its year on June 30th. This outstanding achievement has been a member of the Quarter Million Club each year since its inception in 1922.

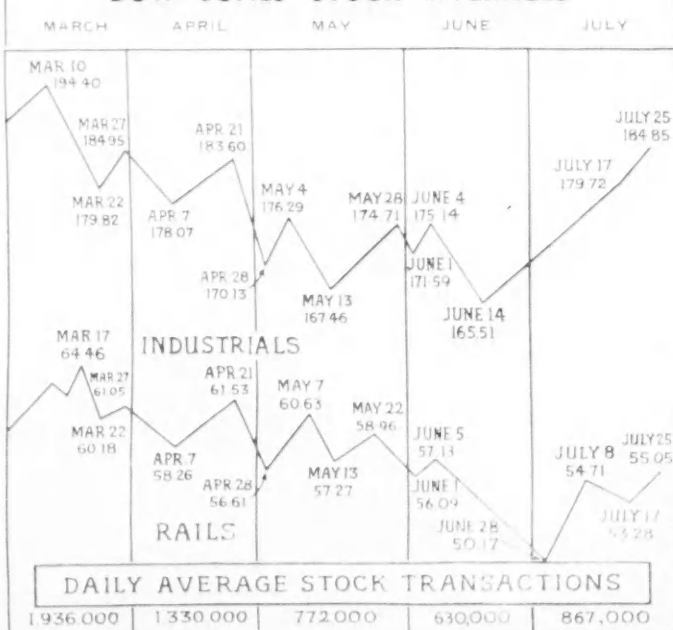
BUSINESS AND MARKET FORECAST

(Continued from Page 17)

and immediately end, it again at least be said that prices have now entered a profitable territory from which recession of one to several weeks should not prove surprising. Timing of the setback is always an uncertain quantity because of the market's necessary response to possible developments. As one illustration, the demand of the motor industry fell into the doldrums and could be used by the market, despite the long-term bullishness at the moment, as an excuse for a temporary setback.

In the course of recession will be witnessed, and the market's action on that decline as well as on the ensuing rally, will disclose its underlying direction. Awaiting this test, we can only repeat a number of considerations which have been discussed in these forecasts in detail over the last month of 1936. Briefly, these are the rather gloomy base formed by the market from April 25 to June 28, the better turn in the political, labor and gold questions, and the knowledge that the seasonal movement of the market is generally up from July into September. These factors are bullish and suggest strength rather than weakness on balance over the month in two ahead. They do not provide an interesting setback, however, such as alluded to in earlier paragraphs.

DOW JONES STOCK AVERAGES



DAILY AVERAGE STOCK TRANSACTIONS

1,936,000 1,330,000 772,000 630,000 867,000

PURCHASING POWER OF FARMERS IN EASTERN CANADA NOW ABOVE NORMAL

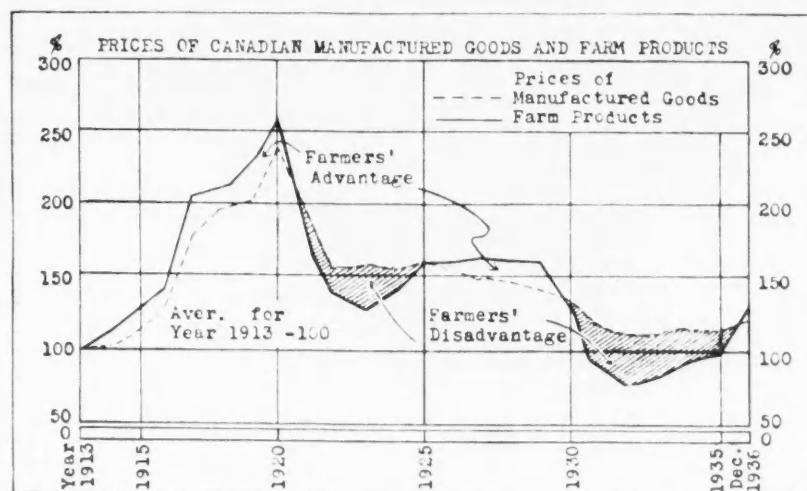
See Chart Recently Released by ONTARIO DEPARTMENT OF AGRICULTURE

BETTER THAN BEFORE THE WAR!

Any doubt that may exist regarding the increased purchasing power of the farmers of Eastern Canada will be quickly dispelled by a glance at this interesting chart just released by the Statistical Branch of the Ontario Department of Agriculture. Conditions in Quebec and the Maritime Provinces will closely parallel those in Ontario. The shaded portions indicate the years when prices of agricultural products were below the prices of manufactured goods.

During 1936, prices of farm products rose sharply and by the end of the year farmers were able to buy a larger volume of manufactured goods for a given quantity of agricultural produce than they were in 1913, which is considered a normal year.

PERIODS OF PROSPERITY USUALLY OCCUR WHEN THE LINE REPRESENTING FARM PRICES IS ABOVE THE LINE REPRESENTING MANUFACTURED GOODS.



NOTE THESE OTHER INTERESTING FACTS

CHattel MORTGAGES DECLINE FOR ONTARIO FARMERS BUT INCREASE FOR ALL OTHER OCCUPATIONS

(Figures given are for Ontario only)

	No.	1936 Amount	No.	1935 Amount
Farmers	8,982	\$18,255,547	9,515	\$19,327,824
All Occupations	37,133	\$10,072,890	33,287	\$8,655,794

Source: Statistics Branch, Ontario Dept. of Agriculture.

LOANS TO FARMERS IN EASTERN CANADA UNDER HOME IMPROVEMENT PLAN UP TO MAY 31, 1937

Number of loans	Amount
1,761	\$544,708.93

Source: Figures issued by Hon. J. L. Hslen, Acting Minister of Finance.

NOW IS THE TIME You will have noticed that the daily press and other sources are acclaiming the improved financial position of rural homes in Eastern Canada. This fall, therefore, is the opportune time to direct your advertising message to the readers of THE FARMER MAGAZINE, comprising over 100,000 able-to-buy families in Eastern Canada. THE FARMER MAGAZINE offers you unexcelled advertising value—continuity at lowest cost, a high degree of reader interest and longer life per issue.

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THE MYSTERY OF RUSSIA'S GOLD Mines Could Not Be Developed Fast Enough to Account for Reported Production—Unidentified Hoards?

SUCH generally accepted authorities on metal data as the American Bureau of Metal Statistics, the Union Corp., Ltd., and Samuel Montague & Co. of London, have apparently approved the official Russian figures on gold production of recent years. The figure reported for 1936 by these authorities was about 7,350,000 ozs. This represents an increase of about 5,350,000 ozs. in the annual rate since 1932. From an engineering standpoint it is inconceivable that in that length of time gold mines could have been opened up and developed sufficiently in size to account for this production even were they known to exist four years ago, writes Arthur Notman, a New York mining engineer and geologist and former president of the Mining and Metallurgical Society of America, in *Barron's Weekly*, New York.

With the discovery of gold in California in the late '40s, and followed by similar discoveries in Australia, world production increased from about 2,000,000 ozs. annually to slightly over 6,500,000 ozs. in the five years from 1818 to 1852. Again, in the period from 1887 to 1898, covering the opening of the Rand and the introduction of the cyanide process and discovery of gold in Yukon and Klondike, production increased from about 5,500,000 ozs. to about 15,000,000 ozs., followed by a sharp decline to under 13,000,000 during the Boer War.

The rate of production resumed its rise at the close of the Boer War reaching a new peak in 1915 of over 22,000,000 ozs., only to fall off again sharply during the World War and early '20s to below 16,000,000 ozs. The increase was resumed again in 1923, and for the year 1936 approximated 35,000,000 ozs. Of this increase of some 20,000,000 ozs. in 14 years, Russia is credited with 7,000,000 ozs. For the years 1913-15, inclusive, the American Bureau of Metal Statistics reported Russian production as stable at about 1,300,000 ozs. a year, falling to a low of 43,000 ozs. in 1921.

IF we assume says Mr. Notman in *Barron's* that this increased gold output has been derived from placer operations and that the average grade of material handled was 50 cents a cubic yard (very high grade gravel), the increased output since 1932 would call for dredging an additional 374,500,000 cubic yards a year. (The Utah Copper Co. working full time moves about 18,000,000 cubic yards annually.) This would require approximately 214 dredges of 5,000 cubic yards daily capacity, working 350 days a year.

in Northern Siberia, where it is

generally supposed that these placers exist, it is doubtful whether dredges could operate more than 150 days a year. On that basis it would require 500 such giant dredges. It would be fair to assume that at least one in six dredges would be moving, working in waste or undergoing repairs so that 600 would be needed. It seems unlikely that that many dredges could have been built in the world as a whole let alone Soviet Russia, and gotten into profitable production in four years time even if there were known fields available. If the gravel carried only 25 cents a cubic yard (a much more likely figure), we would have to double the number of dredges. It is difficult to believe that 20 to 40 operations of the size at Utah Copper Co. under full load could have been built up in four years' time without the mining world at least knowing where they are.

Again, if we were to assume that they had discovered lode mines as rich as those of Eastern Canada and richer than those of the Rand in South Africa, say \$12 ore, it would involve the mining of nearly 16,000,000 tons a year from such a group of mines, or, if we take the actual total of 7,350,000 ozs. rather than the more increase above the 1932 figures, it would involve the mining of over 20,000,000 tons of \$12 ore a year. The Rand after 50 years of development reached a peak in 1926 of 48,221,000 tons with an average value of \$8 per ton. To repeat, it is inconceivable that the hoisting, drilling and milling machinery necessary to bring forth such a production could have been accumulated and installed in Russia in four years without affecting the world machinery markets. No other nation could do this. Therefore, the presumption is Russia did not do it.

WE ARE, then, confronted with a real mystery as to the source of this output. In other words, we are forced to conclude that a major portion of it must have been derived from hoards.

It has been reported that at the outbreak of the Spanish revolution, there was about \$700,000,000 (20,000,000 ozs.) of gold in Madrid. Well informed quarters believe that this gold has been entirely withdrawn now, and was handled mainly through Russian channels. Here is a possibility, if not probable, source of the metal reported by Russia as production.

It has long been known that the Province of Sinkiang in Western China contains many placer deposits of gold which the natives have worked by primitive methods for centuries. Little if any authentic infor-

mation exists as to what became of the output. Contemporaneous with this flush production reported from Russia, we have the taking over of political and military domination of the area by the Soviet Government.

If the conclusion is justified that a major portion of the increase has come from previously mined metal rather than from virgin production, we may confidently expect a sharp decline in total reported output in the near future. So far as I am aware, there has been no official denial from the Russian Government of the possibility of much of the increase having come from hoards. Perhaps some of this was released from hoards left by the Czarist régime.

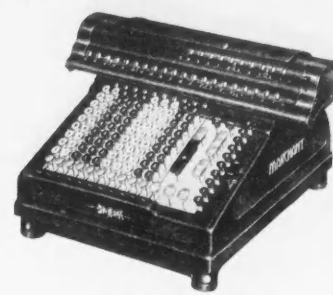
In the *New York Tribune* for Sunday, July 11, a special correspondent wrote:

"Serebrowsky says that the Soviet Union led the United States in the number of so-called 'American gold factories.' These are hydraulic combines which complete the entire process of recovering gold from sand beds in a single operation and with a capacity of 750 to 1,000 tons a day. . . . It has more than 2,000 hydraulic dredges, etc."

As a matter of fact, these figures far exceed the total number of hydraulic dredges in use in the western hemisphere if not in the world at large excluding Russia.

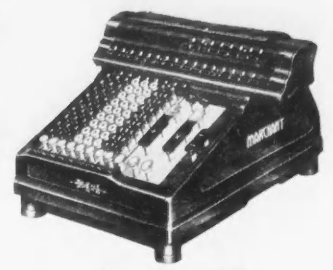
ALL this suggests that there has been great progress in manufacturing and installing the equipment necessary for placer mining on a very large scale. The correspondent is evidently prepared to accept the Russian claims, and believes that they will realize their goal of 10,500,000 ounces in 1937. He introduces his article with the statement that "High on the list of subjects considered military secrets by the Soviet Union is one metal which is never used for armament or munitions—gold." Perhaps this is a very good reason for questioning the accuracy of the reported production.

It is not impossible that some extraordinarily rich placer ground has been uncovered, and that most or all of the increase has come from mining operations. If so, it is unlikely to continue for any great length of time. After all, the annual increment to the reservoir of metallic gold in the world, now estimated at 1,200,000,000 ozs., is not so important as the total in the reservoir. The annual production, as we have seen, has varied widely in the past, and will do so in the future. In time, perhaps the Russian authorities will grow more frank, if not more accurate, in their reports.



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For I am disposed to regard a rise in the sterling price-level as an essential underlying condition of long run budgetary equilibrium. There are limits to the proportion of the national income which it is practicable for the State to appropriate by taxation, consistently with the maintenance of any reasonable degree of freedom in the economic system. No one can define with confidence exactly what those limits are. But the margin which is still left to us before we reach them is probably not very large. On the other hand, we must not suppose that expenditure on desirable social purposes can be indefinitely confined within its present limits. On the contrary, we must expect that new demands under this heading, as, for example, for schemes designed to raise the general standards of nutrition, will before long gather an irresistible force. Developments which will raise the yield of existing taxes are thus in the long run of vital importance to us. Since we can no longer hope to be helped out of our difficulties by the growth of population, we must depend the more on the assistance which a higher sterling price-level would give by raising the level of money incomes.

IF THIS conclusion is correct, it has an important bearing on the attitude which is appropriate with regard to exchange stabilization and to internal monetary policy. The budget has become, indeed, in my opinion, the central feature of our whole economic problem. We cannot, I suggest, afford to view with the austerity that might otherwise be proper any tendency for prices to rise during the next few years. On general grounds there is much to be said for the view that a stable, or even perhaps a slowly falling price level, offers the best chance of avoiding undue fluctuations and industrial activity, though in the circumstances which exist today there is much to be said on the other side. But we cannot shape our policy with reference to this as our sole objective. We cannot afford both a higher level of interest rates and a lower or even an unmechanized price-level. It would be foolish, therefore, to insist on raising interest rates in order to prevent prices from rising. It is important, of course, that a rise of prices should not be allowed to get out of control, and it is possible, as I have already agreed, that higher interest rates may be essential on this ground during the next few years; but that is still a remote contingency. In the meantime I offer the suggestion that our economic problems would be approached in a truer perspective if some of the attention now given to trade cycle analysis were diverted to an attempt to construct a hypothetical budget for the future when the rearmament program has been completed.

MINES

BY J. A. McRAE

DOME Mines milled 287,000 tons and produced \$3,760,000 in gold during the first six months of 1937. Profits before depreciation and depletion amounted to \$2,153,000, or \$2.14 per share. Recovery averaged \$13.10 per ton compared with \$12.21 during the first half of the preceding year.

Dome Mines showed an increase of 58 cents per ton in the cost of operations during the first half of 1937, and in this connection the operators of gold mines will recognize a new trend.

Moneta Porcupine is in ore at lower levels which fully confirms the former diamond drill indications. At the fourth level the crosscut at the time of writing indicates mineralization may run at least 75 ozs. of gold to the ton.

Little Long Lac will pay a dividend of 10 cents per share on Aug. 16. Prospects are favorable for profits closely approaching a rate of 15 cents per share quarterly.

Uchi Gold Mines has completed shaft sinking to its first objective of 600 ft. With the completion of working stations it is proposed to undertake extensive drifting operations at four levels. Diamond drilling has indicated ore for a length of 1800 ft. and with favorable structure extending over several thousand feet in length. There are big widths of ore comparing favorably with the grade of the mines in the Kirkland Lake and Porcupine fields, and the outlook is favorable for a new gold producer of more than ordinary importance.

Keppel-Addison has indicated about 1,000,000 tons of ore, estimated to grade \$6.75 per ton in gold. While this grade of ore is low when measured by the

fact that costs at neighboring fields such as Kirkland Lake range from \$5 to \$7 per ton, yet in the case of Keppel-Addison there are various factors which make it reasonable to expect low costs will ultimately be established.

Lake Shore milled 227,000 tons of ore during the six months ended June 30 and produced \$4,028,500. The company's fiscal year ended June 30 with gross production amounting to \$15,780,000 for the period, according to preliminary estimates prepared for Shareholders' Meeting. This was before adding income from bank deposits and investments.

McKenzie Red Lake produced \$425,000 during the first half of 1937. The ore yielded an average of \$14.93 per ton.

Beattie Gold Mines has increased mill capacity to 50,000 tons per month. Installation of roasting equipment is also proceeding rapidly and this should be completed within 60 days. Operating profits have been running at over \$70,000 per month so far this year, but are expected to reach \$100,000 per month before the end of the year.

Pickle Creek produced \$210,662 during June. Whereas the mill handled only 195 tons per day during April, yet the record in June was an average of 341 tons per day. Despite the fact that a very large amount of development ore is going through the mill at present, the recovery for the month was \$20.55 per ton.

Crop failures in the Canadian West are tempered to some extent by the fact that mines of importance are developing in Manitoba, Saskatchewan and Alberta where the northern areas are made up of rock formations which may reasonably embrace mineral deposits of magnitude.

New Golden Rose is the latest gold producing mine to be established in Ontario. A feature is that the property lies at Temagami in the heart of a district which has for many years been the playground for thousands of tourists. The mill started off this month at 100 tons per day and a grade of \$14 ore.

Import Mines at Shoal Lake in Northwestern Ontario is estimated to have indicated over \$3,000,000 in the form of 200,000 tons of ore containing over \$15 per ton in gold.

Crosscutting has commenced at the 375 and 500 ft. levels of Packstack Mines.

McIntyre Porcupine set a new record during the three months ended June 30 with gross income of \$2,118,500, and a net profit of \$858,875 after allowing for taxes and depreciation. Profits were equal to \$1.07 per share for the quarter.

Sherritt Gordon is in full operation again. The Sherritt Gordon mine of today is also a greatly advanced enterprise as compared with the mine at the time of closing down a few years ago. The shafts have been deepened, the drifts extended, the stopes improved and the mill modernized and enlarged. An output of 30,000,000 lbs. annually in copper alone is the official expectation.

Sherritt Gordon is machined to produce over \$5,000,000 a year in new wealth. In round figures, the new pay rolls will probably reach \$100,000 every 30 days. The material and supplies consumed will also probably approach a cost of \$100,000 per month. Working at capacity under current prices for copper, zinc, silver and gold, the outlook is that operating profits may reach approximately \$200,000 monthly.

Whether in the form of wages to workmen, payments for material and supplies, taxes to the federal and provincial government, or in the form of dividends to the stockholders, the fact remains that Sherritt Gordon is now in line to place close to \$100,000 per week in new wealth into circulation.

THE FUR TRADE

Civilization is steadily pushing the frontier back in the fur trade, but the trapper still supplies 70 per cent. of the furs handled in the markets of Canada. Silver fox accounts for approximately 85 per cent. of the fur farm revenue from the sale of pelts, the other peltries being predominantly the takings of trappers. The fur farmer has, however, greatly increased his share in recent years. In the last decade the percentage contributed by fur farms was multiplied nearly tenfold.

VANCOUVER STOCK EXCHANGE

STRIKING evidence of the progress made by the Vancouver Stock Exchange, which is this year observing its thirtieth anniversary, is contained in the 1937 edition of the Exchange Manual, just issued. In those thirty years the Exchange has grown from a very humble beginning to be the third largest stock exchange in Canada, just as Vancouver has risen, in the same interval, to become the third largest city in Canada.

This progress of the Vancouver Stock Exchange in time with the City of Vancouver has a wider significance for the Exchange has been an integral part of Western Canadian industrial development, its existence fostering and assisting the development of mining, one of the major industries of British Columbia, and doing much, as well, to develop the great potential oil resources of the Province of Alberta.

The marketability and public attention enjoyed by the shares of a number of small enterprises, together with favorable physical conditions, have resulted in these shares, first traded on the Vancouver Stock Exchange, becoming internationally known and distributed, and the companies which they represented have benefited through wider financial facilities. Such issues as Premier Gold, Bralorne, Pioneer, Caribon Gold Quartz, Reno, Sheep Creek, Island Mountain, Big Missouri, C. & E. and Pend Oreille were traded on the Vancouver Stock Exchange before they attained country-wide attention.

This function of the Vancouver Stock Exchange in providing trading facilities for Western mining and oil development company shares not only when they have "arrived" but in their earlier stages makes the exchange a vital force in Western Canadian progress.

Thirty years ago a dozen or so members sat in a small, narrow room and leisurely traded as a presiding officer "called" the few issues alphabetically. Today, on a modern "floor" with all that the word connotes in stock exchange parlance, traders accomplish when the pressure of business is strong a volume of transactions at times totalling 2,000,000 or more shares a day with a value of about \$1,000,000 or \$1,500,000.

Volume and value of shares traded on the Vancouver Stock Exchange in the past six years is as follows:

	Shares	Value
1930	28,562,513	\$16,880,464
1931	16,652,942	2,752,266
1932	16,643,358	2,490,779
1933	88,258,619	28,915,200
1934	92,136,287	32,424,025
1935	47,208,890	14,567,981
1936	99,168,178	26,702,524

Officials with London Stock Exchange experience and executive officers conversant with the most advanced practices of exchanges elsewhere have kept the Vancouver Stock Exchange fully up to date in adopting new methods and new rules and regulations for the rapid execution of orders and for the safeguarding of the public interests.

The past year has seen further advancement in the various branches of the metal mining industry of British Columbia and the discovery of a major emerald lode in Turner Valley.

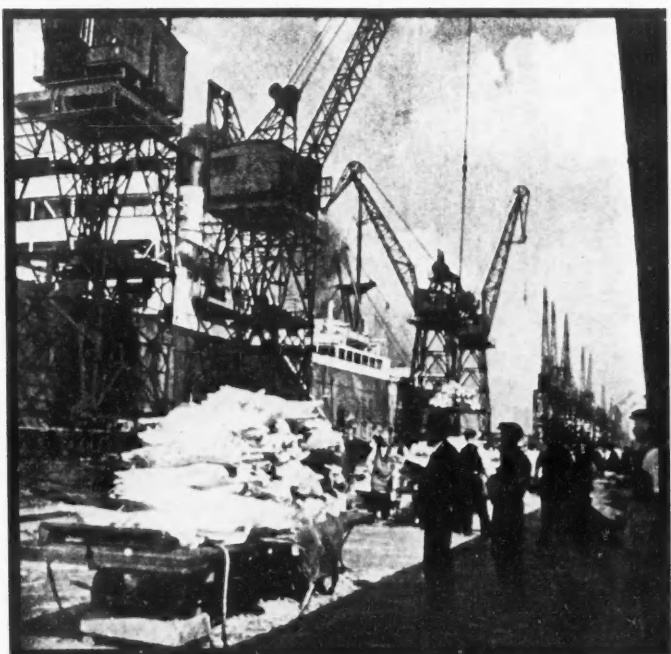
Despite increase in the cost of operation and a slight decline in the average price received for gold, gold mining in British Columbia, driven by the impetus developed in 1934, 1935 and early 1936, attained new production highs.

Base metal prices have reacted after reaching new heights from the depression lows, but remain substantially above the levels of May 1936, when the last issue of the Stock Exchange Manual was published. The comparison is as follows:

	May 1936 June, 1937
Copper	\$26 15s 453
Lead	\$15 10s 423 8s
Zinc	\$14 12s 421 6s
Silver	29d 16d

That British Columbia has been making very real progress of recent years in mining is best evidenced by the official records of output in terms of dollars and cents. Here are the records of the past five years:

Total Value of B.C. Mines Output		
	All Products	Gold
1932	\$28,798,406	\$4,656,849
1933	22,602,672	6,955,716
1934	42,805,297	10,965,416
1935	48,821,239	13,747,994
1936	52,431,168	15,366,180



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TROUBLES OF THE EXCHANGES

Modification of Tripartite Agreement May Promote Free International Trade and Better Balance of Exchanges

BY GILBERT C. LAYTON
Saturday Night's Financial Correspondent in London

WHEN the Paris Bourse opened after the all-night session of M. Chautemps' Government the franc was quoted at 123 to the pound. Subsequently fluctuations were wide and the impression gained ground in London that M. Bonnet was more hopeful than accurate when he said that the rate would be maintained by the exchange funds. Meanwhile, some very interesting problems have arisen by the unpegging of the franc.

In the first place, there is no disguising the fact that the tripartite agreement has, by implication, been contradicted by the course of events, and that it is now no more than an expression of willingness to cooperate on the part of the French, American and British authorities. By detaching the franc from gold the French Government has made a *de facto* repudiation of the agreement, and the statement that the country still adheres to it must be interpreted merely to mean that France still wishes to work in harmony with the United States and Britain.

And she has good reason. If the franc is pegged, at whatever rate, by the Exchange Funds, the chief burden must fall upon the British and American Accounts. The French Fund is practically exhausted, and the new life which it will receive as a result of the new finance decrees will not necessarily prove adequate to sustain it in the face of an adverse pressure. Whether, in fact, such adverse pressure will develop depends entirely upon (1) whether the Account will attempt to peg at a rate justified by the trading position, and (2) whether the devaluation of the currency will inject a new life into French trade and so redress the adverse trade balance.

But for a time it appears that the chief burden for supporting the franc will fall upon London and Washington. This is not a particularly bright outlook for these centres. France will have to be bought if the rate is to be sustained, but at the same time the francs so bought cannot be exchanged at the Central Bank of France for gold. Unless, therefore, the franc is allowed to find its own precise level, on the basis of ordinary commercial trading that is to say, unless the volume of purchase made

by the Accounts for short-term support are approximately balanced by subsequent sales, they will find themselves in an unwelcome possession of large quantities of a currency which, even after the new adjustment, cannot be considered the acme of stability.

It is interesting to observe that the addition of £200 million to the British Exchange Fund occurred only a few days before developments in France necessitated that the British authorities should have increased power wherewith to control exchange movements. It is suggested that there was previously an understanding between the authorities concerned regarding a devaluation of the franc. It may easily

be believed that President Roosevelt for his part was favorably disposed towards a devaluation of the franc, for, as events have already proved, French money would return to Paris, and French money was one of the major contributory factors in aggravating Roosevelt's "hot money" problem.

IT IS less easy to see why the British authorities should have proved so accommodating. Apart from the rather nebulous advantages of an "economic goodwill" which, in any case, they were bound to keep, they put themselves in a position wherein they would shoulder more of the burden of another country's troubles. On the other hand, the aggravation

of France's financial difficulties would palpably be a serious disadvantage to the other two countries working hand in glove with her. The franc, that is to say, cannot be sustained under the tripartite agreement without a corresponding burden falling upon the other signatories.

The future is not quite clear. The best hopes must rest upon the belief that by this devaluation France will rehabilitate her economy. And, providing the measure is not accompanied by a provocative rise in internal prices, the political situation also will become easier. The main difficulties therefore are short-term. The Exchange Accounts are either unwilling or impotent to fix a new peg, as the wide fluctuations which have characterized the franc since its divorce from gold have shown. But it would be anomalous if one currency bound to an agreement which included three was allowed complete freedom of movement, while the fluctuations of the other two were determined. It may not be wide of the mark, therefore, to suggest that the tripartite agreement will be modified. Its facade is already out-of-date, though the spirit still holds. A new agreement should then emerge which will provide the dual benefits of justly balanced exchanges and a freer international trade.

THE WORLD WHEAT SITUATION

Scanty Export Supplies Mean Canada Will Have Minor Role Among Exporting Countries in New Crop Year

SELDOM in the history of the grain trade has there been so sharp a price advance as has occurred in the Winnipeg market, and to a less extent in other markets, during the past four weeks, says the latest monthly review of the wheat situation issued by the Agricultural Branch of the Dominion Bureau of Statistics. Rapidly diminishing prospects for a wheat crop in western Canada provided the main-spring for the advance, and it is indeed unfortunate that prices around the dollar-fifty level have been attained only at the expense of what is evidently the worst crop disaster since the prairies were opened. While it is still a hazardous undertaking to place an estimate on the probable output in the Prairie Provinces this year, condition figures at the end of June plus the further considerable deterioration to date during July together suggest that this year's crop will be far below the very small amount of wheat harvested last year. At present the most uncertain factor in judging this year's crop is the potential rust damage in Manitoba which will not reveal its full extent until just before harvest. To add to the uncertainty of the North American situation, rust has been jeopardizing the late winter wheat areas in the United States where the crop had been practically assured, and it is also threatening the spring wheat areas.

Apart from the serious domestic problem which has been created in Saskatchewan and parts of Alberta by the more crop failure, importing countries have been affected by the changed outlook for North American supplies. For the next five months this Continent was expected to furnish the bulk of the world's shipments. Although there is still no evidence of a shortage of trading materials it has now become apparent that the United States far more than Canada will need to be relied upon to furnish the export supplies.

Looking into the prospects for the 1937-38 season in more detail the following salient features stand out: 1. The reduced Canadian carry-over this very small export supplies from the new crop indicate that Canada will assume a minor role among the exporting countries for the ensuing year. Since the small Canadian supplies will be needed most before the new Southern Hemisphere supplies are available in January, the bulk of Canada's trade will come in the autumn months, leaving very little activity for the balance of the crop year.

2. Even if rust damage becomes more extensive in the United States, that country should be able to furnish at least 100 million bushels for export, and may actually furnish more. Thus the United States will have sizeable exports for the first time since 1931-32.

3. All reports of crop conditions from Russia this year indicate that there will be an abundant crop in that country this season. While governmental policy in recent years has been directed toward the maintenance of adequate domestic stocks, so that exports are difficult to predict on the basis of production, it is likely that Russia, too, will export fair amounts of wheat this autumn.

4. The Danubian countries will have an export surplus of only 30 to 40 million bushels in the 1937-38 crop season as compared with 80 million bushels during the current season. On the other hand, European importing countries, apart from Germany, appear to have larger crops than a year ago, with the result that import needs will be less. Based on June condition figures, and provisional estimates, the International Institute of Agriculture predicts that the European importing countries will produce 80 million bushels more than a year ago.

5. Increased production in the importing countries suggests that the total volume of world trade will be less in the 1937-38 season than in the current crop year. This year world shipments are likely to total 600 million bushels. If full allowance were made for the increased production in the importing countries, total shipments of 520 millions would be suggested. The small crop harvested in China this year may witness an increase in shipments to non-European destinations, so that Mr. Broomhall's figure of 536 millions for total shipments in the 1937-38 season appears to be quite reasonable.

6. Both Southern Hemisphere countries are aiming at increased production this year as judged by increases in acreages. The Australian area is officially placed at 13,700,000 acres this year as compared with 12,579,000 acres a year ago. Our Buenos Aires correspondent suggests a 7½ per cent. increase in the Argentine area this year to 18.8 million acres. Conditions are reported good in western and south Australia. In New South Wales and Victoria more rain is necessary, according to an official report of July 15. Cordoba, La Pampa and southern Buenos Aires are reported dry in Argentina.

AT THE end of June, the International Institute of Agriculture made the following forecast of European wheat production, by importing and exporting countries, which is shown with comparisons for earlier years:

	(million bushels)	Importing Countries	Exporting Countries	Total
1937 (forecast)	1,095	415	1,510	
1936	1,014	467	1,481	
1935	1,190	386	1,576	
1934	1,213	337	1,550	
1933	1,290	455	1,745	
1932	1,209	279	1,488	
1931	974	463	1,437	
1926-30 (average)	952	389	1,341	

The following are provisional estimates for individual countries as furnished by the International Institute of Agriculture in Rome, and the Bureau of Agricultural Economics in Washington:

Country	Production, 1937 (million bushels)	Production, 1936 (million bushels)
Roumania	110,400	128,716
Yugoslavia	92,000	107,421
Hungary	69,628	86,741
Bulgaria	64,006	59,304
Greece	36,743	23,449
Italy	280,000	224,272
France	276,000	244,349
Estonia (winter)	992	834
Algeria	31,967	29,774
French Morocco	17,637	13,212
Egypt	14,957	15,501
India	360,000	352,216
Japan	48,040	45,194

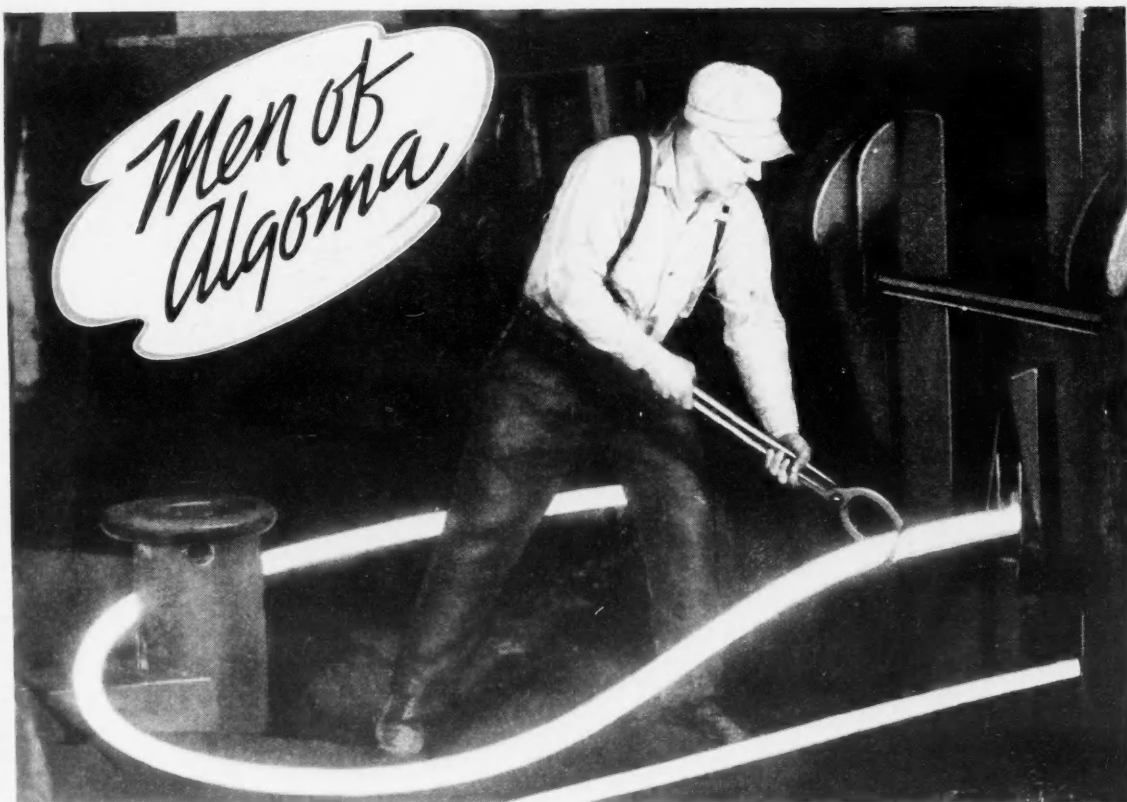
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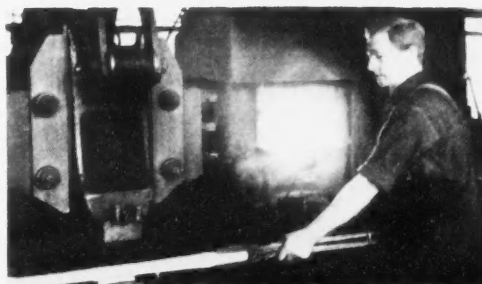
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